



14th Annual Report 2000-2001

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MEDIA VIDEO LIMITED

**MEDIA VIDEO LTD.**

BOARD OF DIRECTORS

Mr. PREM ADIP RISHI - *Chairman & Managing Director*

Mr. RAKESH GUPTA - *Wholetime Director (Finance)*

Mr. GOPAL K. SOOD - *Director*

Mr. RAJESH GALHOTRA - *Director*

Mr. GURU DUTT SHUKLA - *Director*

Ms. RASHMI MEHTA - *Director*

Finance Controller cum Co. Secretary

Mr. ANIL CHANDANI

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

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**MEDIA VIDEO LTD.**

DIRECTORS' REPORT

TO THE MEMBERS :

Your Directors have pleasure in presenting the 14th Annual Report and Audited Statement of Accounts for the year ended 30th June, 2001.

FINANCIAL HIGHLIGHTS

Particulars	(Rs.in lacs)	
	Year ended 30.06.2001	Year ended 30.06.2000
Sales, Service & Other Income	5270.24	4767.98
Profit before Tax	201.89	(127.17)
Provision for Tax	17.00	—
Profit/(Loss) after tax	184.89	(127.17)
Add: Surplus brought forward	195.38	343.55
Profit available for appropriation	380.27	216.38
Appropriations :-		
Transfer to General Reserve	1.00	21.00
Balance Carried Forward	379.27	195.38

PERFORMANCE :

The performance of the company during the year under review was encouraging. Total sales was Rs.5243.92 lacs as compared to Rs.4666.75 lacs during the previous year, thus showing a growth of 12% over that of last year. In terms of sales volumes, TV Games witnessed a growth of 31% & Emergency lights 41%. The company earned a profit after tax of Rs.184.89 lacs as against a loss of Rs.127.17 lacs last year. Improved profitability is attributable to good sales performance and cost control measures taken by the company.

FUTURE PROSPECTS

Currently importing the world's best known brands of toys from international giants in the toys's industry, all across the globe, your company is marketing these toys through a franchised chain of premium stores under the brand name **TOYZ**.

The basic principle underlying the concept of TOYZ is to offer the Indian Customer for the very first time in India, an international shopping experience with a choice to select from an extensive range of the best national and international brands of toys under one roof, displayed in the most interactive and customer friendly environment.

With four stores already operational in the most prime locations of Delhi and work going in full swing to open 6 more stores in the current year, your company is hopeful that the contribution of the Toys division will further enhance the profitability of your company.

After detailed study & research of the Market, your company has also chalked out plans to enter into manufacturing & marketing of Video & Audio products including VCD players, Home Theaters & high-end version thereof. This activity can very well be combined with existing business of the company.

DIVIDEND

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



MEDIA VIDEO LTD.

DIRECTORS RESPONSIBILITY STATEMENT

As required pursuant to the Companies (Amendment) Act, 2000, the Board of Directors confirm as under :

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- b) the directors had selected such accounting policies 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 and the Profit of the company for that period.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- d) that the directors had prepared the annual accounts on going concern basis.

DIRECTORS

Shri Rakesh Gupta, Wholetime Director (Finance) and Shri Rajesh Galhotra, Director 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.

AUDIT COMMITTEE :

The Companies Amendment Act, 2000 has inserted a new clause 292A to the Companies Act, 1956 wherein an Audit Committee is to be constituted comprising of non-executive Directors. In compliance of the same, the company has constituted an Audit Committee comprising of Mr. Guru Datt Shukla, Mr.Gopal K. Sood & Ms. Rashmi Mehta.

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 with in the limits specified in the said section.

AUDITORS' REPORT

The Auditors' Report to the members together with Account for the year ended 30th June 2001 and notes thereon are attached, which are self explanatory except

- (i) Unconfirmed balances of sundry Debtors, Creditors, Loans, Advances & Deposits: 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: your company is hopeful for their recovery during the ensuing year, so no provision has been created.
- (iii) Non-provision for gratuity: this is commensurate with past practice of your company to provide for Gratuity in the year of its payment only.

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.



MEDIA VIDEO LTD.

CORPORATE GOVERNANCE :

Your Company has always strived to incorporate appropriate standards for good Corporate Governance. As per SEBI's Directions & Clause 49 of the Listing Agreement, your company is required to comply with the provisions of Corporate Governance by 31.03.2002. Your company has initiated measures to ensure that we are fully compliant before the prescribed time limit of 31.03.2002.

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. 71.75 Lacs	Rs.367.77 Lacs
Foreign Exchange Outgo	Rs.267.34 Lacs	Rs. 9.60 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 of Directors
For **Media Video Ltd.**

Place : New Delhi
Date : 29th September, 2001

(**PREM ADIP RISHI**)
CHAIRMAN & MANAGING DIRECTOR



**MEDIA VIDEO LTD.**

AUDITORS' REPORT

To the Shareholders of MEDIA VIDEO LTD.

We have audited the attached Balance Sheet of M/S MEDIA VIDEO LTD., New Delhi as at 30.6.2001 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 comply with the Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956, **except non- adoption of Accounting Standard AS-15 to the extent of non provision of gratuity liability. [Note No. A-2 and B-10 of Schedule 'T']**
5. In our opinion and to the best of our information and according to the explanations 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 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;**

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, 2001 and

B. In the case of the Profit and Loss Account of the profit 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 material discrepancy was noticed on physical verification of assets conducted by the Management at regular intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its business.
2. None of the fixed assets have been revalued 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. In our opinion, frequency 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 and adequate, 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 and is on the same basis as in the preceding year.
7. The Company has not taken any loans secured or unsecured from companies, firm or other parties listed in the register maintained under Section 301 of the Companies Act 1956 or from Companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.

**MEDIA VIDEO LTD.**

8. The Company has not granted any loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or to Companies under the same management as defined under section 370 (1B) of the Companies Act, 1956
9. The party to whom loan in the nature of loan had been given by the Company is **neither repaying the principal amount nor interest as stipulated . Loan advanced along with interest provided in earlier years is considered doubtful of recovery.** Other staff advances are without interest and are being repaid in accordance with stipulations.
10. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure, commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw materials, goods including components, plants and machinery, equipments, other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods, and materials, and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable, having regard to the terms and prevailing market prices for such goods, material and services where such prices are available or the prices at which transaction on similar terms for similar goods, materials and services have been made with other parties.
12. As explained to us, unserviceable or damaged stores, raw materials and finished goods have been determined by the management and where required, adequate provision has been made in the account for the loss arising on items so determined.
13. The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Section 58A of the Companies Act, 1956 and rules framed thereunder.
14. In our opinion, scrap generated during the course of production is of nominal value, for which adequate records have been maintained by the Company for sale and disposal of scrap. We have been informed that the Company does not have disposable by products.
15. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
16. As per the information furnished, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 in respect of the Company's products.
17. According to the records of the Company, Provident Fund and Employee State Insurance dues have been generally deposited during the year, regularly with appropriate authorities.
18. As explained to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty, which are outstanding as at 30.6.2001 for a period of more than six months from the date they became payable.
19. As explained to us, no personal expenses of employees or directors have been charged to Revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practices.
20. The Company is not a Sick Industrial Company within the meaning of clause (o) of subsection (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In our opinion, in respect of Trading activities of the Company, as explained to us, adequate provisions are made in the accounts for damaged stocks if any at regular intervals.

FOR ARUN KISHORE & COMPANY
Chartered Accountants

(ARUN KISHORE)
Partner

Place : D-25, Lajpat Nagar-II, New Delhi-110 024
Date : 29th September, 2001

**MEDIA VIDEO LTD.****BALANCE SHEET AS AT 30TH JUNE, 2001**

SOURCES OF FUND :	SCHEDULE	As at 30th June, 2001 (Rs.)	As at 30th June, 2000 (Rs.)
SHAREHOLDERS' FUNDS :			
SHARE CAPITAL :	'A'	10,23,35,000	10,23,35,000
RESERVES AND SURPLUS	'B'	13,96,24,385	12,11,35,752
LOAN FUNDS :		24,19,59,385	22,34,70,752
SECURED LOANS	'C'	5,99,69,602	6,97,46,302
UNSECURED LOANS		—	—
		5,99,69,602	6,97,46,302
		30,19,28,987	29,32,17,054
APPLICATION OF FUNDS :			
FIXED ASSETS :			
GROSS BLOCK	'D'	13,16,87,875	12,92,69,207
LESS DEPRECIATION		4,97,70,068	4,15,60,651
NET BLOCK		8,19,17,807	8,77,08,556
INVESTMENTS	'E'	1,27,000	1,00,000
CURRENT ASSETS, LOANS & ADVANCES			
A. CURRENT ASSETS	'F'		
STOCKS		8,97,31,612	8,65,92,485
DEBTORS		9,16,25,270	9,30,55,081
CASH & BANK BALANCES		37,92,507	37,35,827
		18,51,49,389	18,33,83,393
B. LOANS & ADVANCES	'G'	5,78,57,873	3,42,27,935
		24,30,07,262	21,76,11,328
LESS : CURRENT LIABILITIES & PROVISIONS			
A. CURRENT LIABILITIES	'H-1'	2,37,63,524	1,51,67,387
B. PROVISIONS	'H-2'	17,00,000	—
		2,54,63,524	1,51,67,387
NET CURRENT ASSETS		21,75,43,738	20,24,43,941
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	'I'	23,40,442	29,64,557
		30,19,28,987	29,32,17,054
SIGNIFICANT ACCOUNTING POLICIES & OTHER NOTES	'T'		

Subject to our report of even date
For ARUN KISHORE & COMPANY
Chartered Accountants

ARUN KISHORE
Partner

Place : New Delhi
Date : 29th September, 2001

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PREM ADIP RISHI
Chairman & Managing Director

RAKESH GUPTA
Whole-time Director (Finance)

RAJESH GALHOTRA
Director

ANIL CHANDANI
Finance Controller cum
Company Secretary

**MEDIA VIDEO LTD.****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30-6-2001**

	SCHEDULE	CURRENT YEAR ENDED 30.6.2001 (Rs.)	PREVIOUS YEAR ENDED 30.6.2000 (Rs.)
INCOME :			
SALES & SERVICE	'J'	52,43,92,467	46,66,74,694
INCREASE/(DECREASE) IN STOCKS		(64,560)	(2,82,80,799)
MISCELLANEOUS INCOME	'K'	26,31,447	1,01,23,081
		<u>52,69,59,354</u>	<u>44,85,16,976</u>
EXPENDITURE :			
RAW MATERIAL CONSUMED	'L'	3,19,00,967	1,17,25,864
PACKING MATERIAL CONSUMED	'M'	23,53,179	28,48,399
STORES CONSUMED	'N'	7,45,609	26,39,580
GOODS PROCURED		36,93,87,843	35,09,52,365
OTHER MANUFACTURING OVERHEADS	'O'	70,45,106	43,85,714
ADMINISTRATIVE EXPENSES	'P'	2,94,27,753	1,90,54,966
SALARIES & WELFARE	'Q'	86,70,348	67,08,378
SELLING & DISTRIBUTION EXPENSES	'R'	3,27,81,918	4,00,44,057
FINANCIAL EXPENSES	'S'	1,21,60,329	1,25,43,805
DEPRECIATION	'D'	88,61,021	83,94,123
		<u>50,33,34,073</u>	<u>45,92,97,252</u>
PROFIT / (LOSS)		2,36,25,281	(1,07,80,276)
PRIOR PERIOD ADJUSTMENTS		34,36,648	19,36,577
PROFIT/(LOSS) BEFORE TAXATION		2,01,88,633	(1,27,16,853)
PROVISION FOR INCOME TAX		17,00,000	—
PROFIT/(LOSS) AFTER TAXATION		1,84,88,633	(1,27,16,853)
BALANCE BROUGHT FORWARD		<u>1,95,38,252</u>	<u>3,43,55,105</u>
AMOUNT AVAILABLE FOR APPROPRIATION		3,80,26,885	2,16,38,252
APPROPRIATIONS :			
TRANSFER TO GENERAL RESERVE		1,00,000	21,00,000
BALANCE CARRIED FORWARD TO BALANCE SHEET		<u>3,79,26,885</u>	<u>1,95,38,252</u>

Subject to our report of even date
For ARUN KISHORE & COMPANY
Chartered Accountants

ARUN KISHORE
Partner

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PREM ADIP RISHI
Chairman & Managing Director

RAKESH GUPTA
Whole-time Director (Finance)

Place : New Delhi
Date : 29th September, 2001

RAJESH GALHOTRA
Director

ANIL CHANDANI
Finance Controller cum
Company Secretary

**MEDIA VIDEO LTD.****SCHEDULES**

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Particulars	As at 30.6.2001 (Rs.)	As at 30.6.2000 (Rs.)
SCHEDULE 'A' — SHARE CAPITAL		
AUTHORISED CAPITAL		
1,50,00,000 Equity shares of Rs.10/ each	15,00,00,000	15,00,00,000
ISSUED, SUBSCRIBED & PAIDUP CAPITAL :-		
1,02,33,500 Equity shares of Rs. 10/- each fully paid-up	10,23,35,000	10,23,35,000
	<u>10,23,35,000</u>	<u>10,23,35,000</u>
SCHEDULE 'B' — RESERVES & SURPLUS		
Balance of General Reserve	5,90,00,000	5,69,00,000
Add : Provision made	1,00,000	21,00,000
	<u>5,91,00,000</u>	<u>5,90,00,000</u>
Balance of Profit & Loss A/c	3,79,26,885	1,95,38,252
Share Premium	4,25,97,500	4,25,97,500
	<u>13,96,24,385</u>	<u>12,11,35,752</u>
SCHEDULE 'C' — SECURED LOANS		
Allahabad Bank	2,65,98,225	3,49,78,625
Punjab National Bank	3,18,52,996	3,41,72,677
[Above loans are secured against hypothecation of stocks, debts and other movable and immovable assets present or future and personal Guarantee of the Managing Director]		
Others		
[Secured against hypothecation of vehicles taken on hire purchase]	15,18,381	5,95,000
	<u>5,99,69,602</u>	<u>6,70,63,719</u>