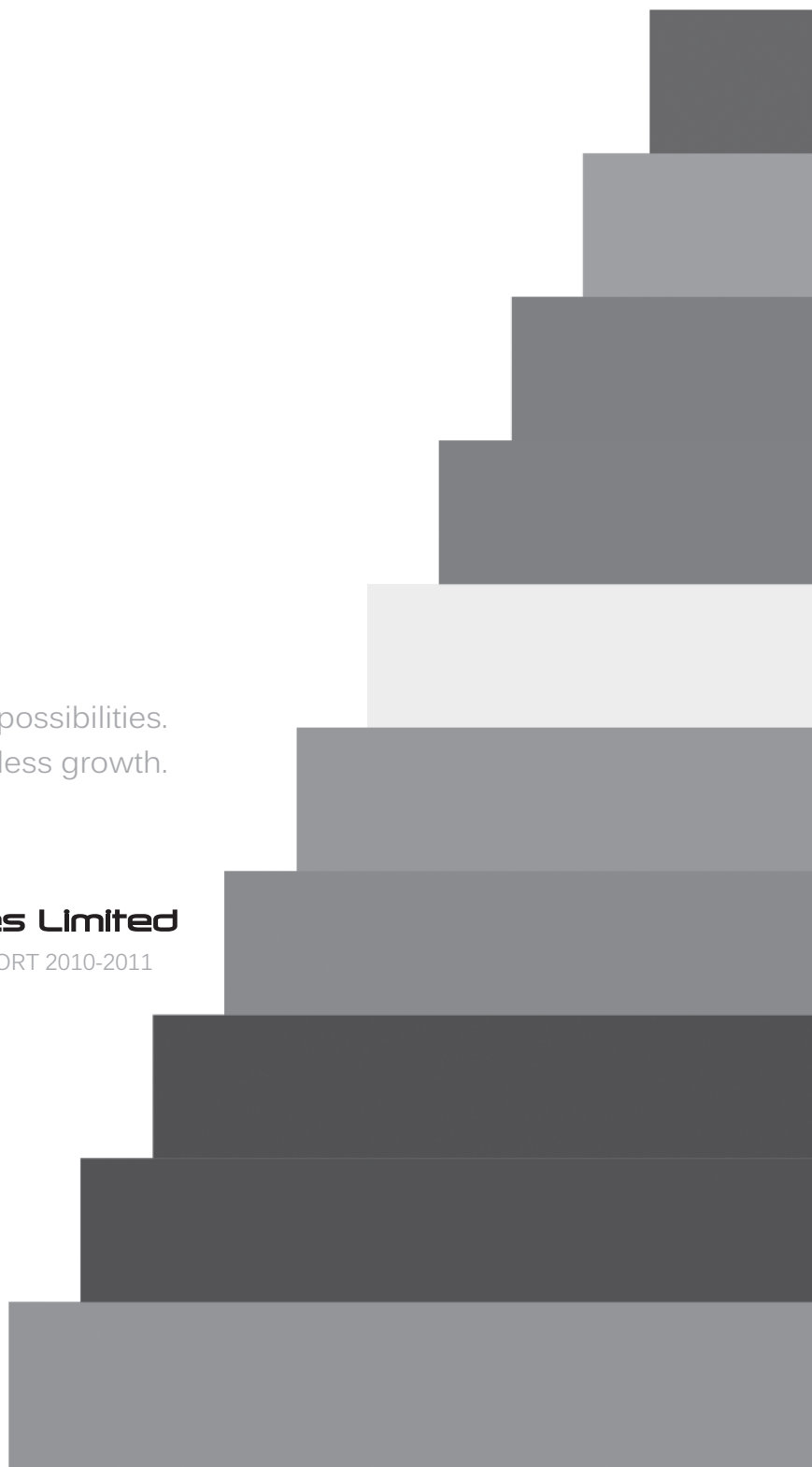




Limitless possibilities.  
Limitless growth.

**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.

