



25th
Annual Report
2011 - 2012

MVL Industries Limited

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MVL Industries Limited

BOARD OF DIRECTORS

Mr. Prem Adip Rishi	Chairman & Managing Director
Mr. Rakesh Gupta	Whole Time Director
Mr. Suresh Kumar Varma	Director
Mr. Rajesh Galhotra	Director
Mr. Vijay Kumar Sood	Director
Ms. Kalpana Gupta	Director

Auditors

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

Company Secretary

Ms. Chetna Tyagi

Bankers

Punjab National Bank
UCO Bank
Allahabad Bank
Punjab & Sind Bank
Standard Chartered Bank
IDBI Bank Limited
State Bank of Mysore
Dena Bank

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 25th Annual General Meeting of the Members of MVL Industries Limited will be held on Saturday, 29th December, 2012 at 12.30 P.M. at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074 to transact the following business as:

Ordinary Business:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 30th June, 2012 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. Suresh Kumar Varma who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Kalpana Gupta who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

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

**Place: New Delhi
Date : 7th November, 2012**

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

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 **24th December, 2012 to 29th December, 2012 (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. Suresh Kumar Varma and Mrs. Kalpana Gupta are retiring by rotation at the ensuing Annual General Meeting of the Company. 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.



MVL Industries Limited

DIRECTORS' REPORT

To the Members

Your Directors have immense pleasure in presenting the 25th Annual Report and Audited Statement of Accounts for the year ended 30th June, 2012.

FINANCIAL RESULTS

(Rs. In lacs)

Particulars	Year ended 30.06.2012	Year ended 30.06.2011
Revenue from operations & Other Income	37904.72	47524.47
Profit/(Loss) Before Exceptional & Extraordinary Items and Tax	(3763.25)	761.73
Exceptional Items	(5347.72)	(1234.70)
Profit/(Loss) Before Tax	(9110.97)	1996.42
Provision for Taxation		
- Income Tax	(586.63)	321.46
- Deferred Tax	(13.20)	(21.88)
Profit/(Loss) After Tax	(8511.13)	1696.84

2. FINANCIAL / OPERATION PERFORMANCE REVIEW

During the year under review, the Company recorded a turnover of Rs. 37904.72 lacs and loss after Tax of Rs. (8511.13) lacs. The Company has incurred business losses arising out of product obsolescence, under cutting from unorganized sector, high interest rates and foreign exchange fluctuations. The operating cycle has increased which has put pressure on the financial liquidity. Over the past few years, the consumer electronic sector has faced changes in the consumer preferences as well as the demand patterns. The company was trying to diversify to add new products to mitigate these risks, but due to general slow down in the economy, lack of capital and high interest costs, these plans could not get materialized. The company had to write off/revalue some of its obsolete /irrecoverable current assets resulting into business losses.

However, the company is looking at the current reforms in the economy which may bring positive turnaround in the business confidence and investment. Based upon this assessment, the company is hopeful to come forward with a new revival plan during the FY 2013-14 through diversification in new product lines.

3. DIVIDEND

Keeping in view the business losses, the directors of your Company do not recommend any dividend for the year under review.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Suresh Kumar Varma and Mrs. Kalpana Gupta, Directors of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

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.



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5. 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, 2012 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.

6. 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.

7. 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.

8. FIXED DEPOSITS

Your Company has neither invited nor accepted any deposits from public within the meaning of the Companies (Acceptance of Deposits) Rule, 1975, during the last financial year.

9. 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(IB) of the Companies Act, 1956.

The Audit Committee and the Board recommends the re-appointment of M/s Arun Kishore & Co., Chartered Accountants.

10. AUDITORS' REPORT

The Auditors' Report to the members together with Audited Accounts for the year ended 30th June 2012 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 explains that some of such balances are old and consist of various claims which are not yet acknowledged by the company. Hence, confirmations of all outstanding balances at the year end are still pending. The Auditors have classified some part of these outstanding balances as doubtful of recovery. The Company is still hopeful that there could be some recovery; so no provision is created in the books of accounts.



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11. 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.

12. 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.

13. CONSERVATION OF ENERGY

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

14. 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 has always attempted to use the latest and advanced technology for its product lines, but keeping pace with current technological developments is becoming difficult for want of capital. The slow down in the economy and higher interest costs has also deterred the further research and development activities of the company to keep it abreast with the current technological changes.

15. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Foreign Exchange Earnings	Rs. Nil
b) Foreign Exchange Outgo	Rs. Nil

16. ACKNOWLEDGEMENT

During the current difficult times where the company is facing all the challenges, your Directors 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 and co-operation have always supported the company.

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

**Place: New Delhi
Date : 7th November, 2012**

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



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MANAGEMENT DISCUSSION AND ANALYSIS

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 consumer electronics industry is going through tough times due to rapid technological changes. The margins on the products are declining and the companies are facing cut throat competition. The products are being sold at hefty discounts resulting into erosion in bottom line, and business losses also. The slowdown in the economy has also added fuel to the problem. Companies are cutting corners to stay afloat as rising input cost and costlier borrowing have forced them to defer investment plans, thus offering fewer jobs. The industrial and agricultural growth index is also declining; and the disposable income in the hands of the consumer is not increasing due to high inflation. There is shift in demand patterns and the consumer is inclined to defer its purchase decision unless it becomes a necessity; thus reducing demand for goods.

According to Reserve Bank of India latest macroeconomic monitoring development report, growth in corporate sales has fallen to 10-quarter low and it continues to remain weak. The growth in farm output and manufacturing sector is sluggish resulting into sizeable decline in the disposable income in the hands of the average consumer which has brought new challenges to the overall electronics industry in the country. This situation will improve only after corrections in the economic parameters, reduction in the borrowing costs and creating of more jobs and investment.

2. SWOT Analysis

Strengths

- More than two decades old, professionally managed Company.
- Experienced, committed and forward-looking Management Team.
- Reputed "MEDIA" and "MVL" Brand in general masses.

Weaknesses

- Dependence on single product line
- Low margins on products because of severe competition.
- High debts and their servicing costs
- Higher exposure to the trade receivables.

Opportunities

- Continued growth in the consumer electronics market.
- Rising disposable income.
- Availability of financing Scheme.

Threats

- Risk of technical obsolescence
- Competition in general in consumer electronic industry and also from unorganized/grey market.



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- Government policy on Taxation has significant impact on the price and thus demand for the Company's products.
- Slowdown in economy
- High interest costs
- Cheaper imports from the overseas market.

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 : 7th November, 2012**

**Sd/-
(Prem Adip Rishi)
Chairman & 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.
- 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.

a) 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).