

Nurtured to Grow



MVL Limited

5th ANNUAL REPORT 2011

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FROM THE CHAIRMAN'S DESK

Dear Shareholders,

This Annual Report comes to you when we are not only faced with challenging economic conditions but also have suffered an irreparable loss of our guiding star, pillar of our strength, a colleague and a friend to many- Mr. Anukool Rishi. However to quote Martha Washington, "Our success depends upon our dispositions, and not upon our circumstances." Hence, at MVL we are today even more earnestly resolved to continuously endeavour towards exploring opportunities and creating new epicentres of growth. Thus accomplishing what we had set to achieve 6 years back. And fulfilling the dream of a strong, valued and viable MVL Limited- a dream envisaged by Anukool and shared by each of us.

2011- The year that was:

Beginning with the macro-economic developments, the year bygone saw the world reeling under the threat of collapse of European Union, the rising fiscal deficits of leading advanced economies as well as the increasing prices of commodities and oil. However, by and large, business and consumer sentiments remained positive and there has been a significant reduction in risk perception of the global economy.

On the home front, India's growth story remained positive in the longer run despite volatile market situation and signs of decreasing GDP growth rate. The country continues to remain one of the front-runners of economic growth across the world due to its burgeoning middle class and positive consumption pattern.

On micro-economic level, the real estate industry faced its own share of concerns. Cautious buyer sentiment prevailed all through 2011 due to adverse impact of the prevailing macro-economic factors. At one hand the industry saw rising home loan rates exert pressure on buyers, on the other hand, developers had been constrained by the rising costs of construction and debt.

Commercial and Retail sectors, however remained buoyant throughout 2011. Leasing activity in the office space realm remained healthy across major cities. Tier II and Tier III towns witnessed expansion of major retailers.

On account of delay in securing statutory approvals, the company could not launch many of its mainstream projects in 2011. This combined with other factors- slowing economy, tightening liquidity, rising debt costs and input costs has led to decline in top and bottom line in comparison to the previous year. However these projects are scheduled to be launched in the current year and would give major thrust to overall performance of the company.

2012- The Journey Forward:

Though overall macro-economic conditions are likely to keep investor sentiments at cautious levels, both in terms of FDIs and FII's, however, as the Indian economy continues to show resilience in 2012, foreign investors will gain in confidence and India will become attractive among competitive investment destinations.

The demand for commercial and retail space is expected to be stable with rent and capital value expected to increase, albeit marginally.

The residential sector is likely to continue seeing low absorption rate and incidence of new launches will decline. However, projects nearing completion or possession are likely to record healthy appreciation of capital values.

In the light of the above we believe that the commercial segment of the company will continue to perform.

In the residential segment, MVL Coral will see a new thrust to its sale due to the expected capital appreciation on account of possession being given to its existing customers. MVL IndiHomes- the budget home project by your company will also be nearing completion which will boost its sale further.

2012 will also see your company foray into hospitality segment. Its star project at Neemrana for which MVL is collaborating with an internationally renowned hospitality brand will be launched in the year. The project will establish your company as a valuable contributor to the hospitality sector.

MVL Rivercity- the premium township at Yamunanagar is also slated for launch this year. Targeted at the discerning customers of Yamunanagar and surrounding towns, we believe that given the high per capita income of the population and lack of modern lifestyles options in the region, the project will add to both top and bottom line of the company.

Our dear shareholders, we believe that challenges and opportunities are two sides of a coin for those armed with foresight, perseverance and courage. Given your continuing support we are confident of achieving operational excellence and enhancing fortunes of all members of MVL family.

Prem Adip Rishi
Chairman



OUR PROJECTS



MVL Coral is an Integrated Residential Complex located in Bhiwadi, Rajasthan. The tastefully planned development offers finest accommodation options and facilities in this fast developing town. Possession of Avenue 5 of the project has commenced.



MVL IndiHomes, a two BHK budget home project in Bhiwadi, is aimed at the masses. Fully equipped with power back- up, car parking, landscaping, community hall, convenience store for shopping etc., it is a complete value for money proposition. The project development is at advance stage.



India Business Centre is a stylish and modern business complex in Gurgaon. It encompasses a state-of-the-art infrastructure with amenities required for the development and growth of any business. The project also offers furnished office space designed for SME's under the sub brand of 'FUTURESAPCE'. The construction of this business centre is in full swing.



OUR PROJECTS



Located in Yamunanagar, Haryana, MVL Rivercity is envisaged to be a self-sufficient, high quality township spread over 124 acres. The project will incorporate lifestyle villas, plotted developments, a shopping mall, a luxury hotel and lots more.



MVL Ozio is a premium hospitality project located in Neemrana, Rajasthan in collaboration with an internationally renowned hospitality brand. The project will incorporate luxury hotel, resort & residences.



BOARD OF DIRECTORS

Mr. Prem Adip Rishi

Chairman

Mr. Praveen Kumar

Whole Time Director

Mr. Rakesh Gupta

Director

Mr. Vinod Malik

Director

Mr. Vinod Kumar Khurana

Director

Mr. Vijay Kumar Sood

Director

Mrs. Kalpana Gupta

Director

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

Statutory Auditors

Mr. Sushil Aggarwal

Vice President (Legal & Co. Affairs)

Ms. Nidhi Agarwal

Company Secretary

Bankers

Allahabad Bank

Canara Bank

Punjab National Bank

UCO Bank

Dena Bank

IFCI Limited

IFCI Venture Capital Funds Limited

Registered Office

B-86/1, Okhla Industrial Area

Phase-II, New Delhi-110020

Corporate Office

Tower-A, Ground Floor,

Millennium Plaza

Sector-27, Sushant Lok-I,

Gurgaon - 122002 (Haryana)



NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of MVL Limited will be held on Saturday, 30th June, 2012 at 12:30 P.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st December, 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. Rakesh Gupta 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 Limited**

**Place: New Delhi
Date : 15th May, 2012**

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

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 **25th June, 2012 to 30th June, 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 Company has entered into agreement with NSDL and CDSL for dematerialisation of shares. 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. Rakesh Gupta and Mrs. Kalpana Gupta are retiring by rotation at the ensuing Annual General Meeting of the Company and shall be re-appointed. 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.



DIRECTORS' REPORT

To the Members

Your Directors have immense pleasure in presenting the 5th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st December, 2011.

FINANCIAL RESULTS

Particulars	(Rs. in lakh)	
	Year ended 31.12.2011	Year ended 31.12.2010
Total Income	15656.40	19369.50
Profit Before Tax	2121.59	2843.88
Profit after prior period adjustment	2121.59	2844.36
Less: Provision for Tax	680.88	949.97
Profit After Tax	1440.71	1894.39
Profit available for appropriation	5926.79	5036.63
Appropriation: -		
Proposed Dividend on Equity Shares	—	300.62
Provision for Dividend Tax	—	49.93
Transfer to General Reserve	200.00	200.00
Balance Carried Forward	5726.79	4486.08

FINANCIAL OUTLOOK AND OPERATIONS

During the year under review, despite volatile market conditions in real estate, Company recorded a Turnover of Rs. 15656.40 lakh and Profit after Tax of Rs. 1440.71 lakh. There was some delay in getting the approvals from competent authorities and therefore some prominent projects of the Company could not be started on time. However, your Company will witness a growth oriented year 2012 and many new projects will be added in its project list.

DIVERSIFICATION AND FUTURE PLANNING

The Company, besides its current real estate activities, felt the need of diversifying into other business activities which having synergy with its current business profile and so diversified into a promising sector i.e. 'hospitality'. The Company has already started the process and has acquired a prime land for developing a 5 star hotel in Neemrana, Rajasthan and collaborated with an international renowned hospitality brand. This project will establish your Company as a valuable contributor to the hospitality sector. Further, to add on in its hospitality division the Company has allocated a prime land in its projects, River City, Yamuna Nagar for developing a class hotel and club house which is the need of that area and will further add significant figures in Company's top and bottom line.

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.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENT

The Company has four wholly owned Subsidiaries, namely MVL Developers Limited, Creative Pools Developers Private Limited, Parisar Property Developers Private Limited and Udyan Horticultures Private Limited as on December 31, 2011.

Statement specified in Section 212 of the Companies Act, 1956 relating to Subsidiary Companies are attached to this report. The Company is also presenting its Audited Consolidated financial statements, which form part of the Annual Report as required by the Listing Agreement with the stock exchanges.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rakesh Gupta 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.

Further, during the year under review, one of Director, Mr. Anukool Rishi ceased to exist due to his death on 19th February, 2012.



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 31st December, 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.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Management Discussion and Analysis Report is annexed hereto and forms part of Directors' Report.

CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE

A detailed report on corporate governance of the Company is enclosed. A practicing Company Secretary has certified compliance with requirement of corporate governance in relation to clause 49 of the Listing Agreement.

FIXED DEPOSITS

The Company has not received any fixed deposit from the public.

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.

AUDITORS' REPORT

The Auditors' Report to the members together with Audited Accounts for the year ended 31st December, 2011 and notes thereon are attached, which are self-explanatory except their remark regarding unconfirmed balances, to which the board provides the following explanation:

Unconfirmed balances: 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.

PARTICULARS OF EMPLOYEES

There was no employee who was in receipt of remuneration as prescribed in Section 217 (2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Although the rules of Conservation of Energy are not applicable on the Company yet every effort have been made to conserve the energy and absorption of technology in the development of the projects.

FOREIGN EXCHANGE EARNING AND OUTGO

There was no Foreign Exchange Earnings during this financial year. However, there was outgo of Foreign Exchange to the tune of Rs. 219.19 lakh on account of foreign travel.

ACKNOWLEDGEMENT

Your Directors place on record their sincere gratitude for the continuous assistance and support received from the investors, bankers, regulatory and government authorities during the period.

Your Directors also place on record their appreciation for the contributions made by employees at various levels, to the growth and success of the Company.

By Order of the Board of Directors
For MVL Limited

Place : New Delhi
Date : 15th May, 2012

Sd/-
(Prem Adip Rishi)
Director

Sd/-
(Rakesh Gupta)
Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Real Estate Sector in India**

The growth in real estate sector is closely linked to the socio-economic development of geographic regions. For India, infrastructure and real estate development form the backbone of its progress and economic development. Although the year 2011 was more or less average year for India's Real Estate Sector, still, it is recognized as main driver of the economic growth engine of the Country.

Foreign Direct Investment (FDI) in this sector is expected to increase to USD 25 billion in next 10 years from present USD 4 billion; according to a report. According to the Department of Industrial Policy and Promotion (DIPP), FDI flow into housing and real estate during the month of April-October, 2011 was USD 471 million. Future growth prospects of real estate sector shall be in Tier II and Tier III cities which at present are attracting Real Estate Developers to expand their operations and according to a report, sale of new residential apartments in 10 such similar cities would be USD 4 billion in 2012.

Non-resident Indians and foreign citizens who are Persons of Indian Origin (PIO) are allowed to purchase immoveable property in India. Residential property prices have stabilized now and are deemed attractive for the NRI home buyer. Industry experts feel that with attractive pricing and innovation in construction technology and variety of designs, NRIs are taking a fresh look at India as a unique market in which they can invest.

Coming year seems to be brighter for real estate sector. Mr Pranab Mukherjee, Union Finance Minister, has endorsed raising the limit on housing loans eligible for a 1 percent subsidy in interest rates, and widened the scope for housing under "priority-sector lending" for banks, making interest rates cheaper on these. Further, more positive steps taken by the Government such as allocation of USD 12.89 billion to Bharat Nirman, relaxation in FDI Rules with regard to dropping the minimum size for housing estates built with foreign capital to 25 acre and 100 acres from 10 hectare and 40 hectare, respectively, granting permission to foreign citizens of Indian Origin to purchase property in India for residential and commercial purpose, will attribute to growth of real estate in coming years.

Further, real estate sector will continue its momentum in near future and few more steps such as easing liquidity crunch being faced by the developers by relaxing the norms for FDI and ECB, creating a regulatory authority of real estate sector increasing tax relief on housing loan, reduction in excise and vat on construction materials, providing subsidies to developers for development of satellite towns etc. will help real estate sector in contributing largely to the development of the country.

2. Business Outlook

Give the prevailing uncertainties of the global market, sentiments on the residential market will remain cautious but it is assumed that the same will be for the short term. The absorption rate is likely to be low and the new launch may decline in the coming year but few steps taken by the Government will bring the realty market on its track.

MVL Limited envisages 2012 as the year of achievements as the Company foray into hospitality sector with its star project at Neemrana for which we have collaborated with an internationally renowned hospitality chain.

3. Financial and Operational Performance

During the year, the Company recorded a turnover of Rs. 16578.15 lakh with Profit after Tax of Rs. 1440.71 lakh. However, the Company has also ventured into hospitality sector but the entire revenue earned was from its real estate business.

4. Real Estate - Strengths

- Wide gamut of government initiatives which have helped FDI entry into this sector.
- Affordable housing gets a boost in the current budget. Companies having affordable housing to get cheaper loans under "priority sector lending".
- Increased allocation for Urban Ministry.

5. Real Estate – Opportunities

- New markets opening up in the form of TIER II and TIER III cities.
- Revised friendly policies allowing foreigner to own property in India and dropping the minimum size of group housing from 10 hectare to 25 acre and for townships 100 acres from 40 hectare will increase new opportunities in realty industry.

MVL Limited has been aware of these increasing opportunities and its investments in Tier II/ Tier III cities and the fast completing phases of its affordable housing project in the sub Rs. 15 Lakh range are a testimony to its commitment to providing affordable housing.

