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MVL™

6th
ANNUAL
REPORT

2012 - 2013

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BOARD OF DIRECTORS

Mr. Prem Adip Rishi

Managing Director

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)

Mrs. 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

1201 B, 12th Floor,
Hemkunt Chamber,
89, Nehru Place,
New Delhi-110019

Corporate Office

MVL iPark, 6th Floor,
Near Red Cross Society,
Chandan Nagar, Sector-15 (II)
Gurgaon - 122001 Haryana (India)



MVL Limited

NOTICE

Notice is hereby given that the 6th Annual General Meeting of the Members of MVL Limited will be held on Tuesday, 17th September, 2013 at 3:30 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 March, 2013 and Profit and Loss Account for the period of 15 months ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vinod Kumar Khurana who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vinod Malik 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. Prem Adip Rishi as Managing Director of the Company for a period of five years with effect from 1st August, 2012 on the remuneration and other terms and conditions detailed hereunder:

- i. Salary: Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand Only) per month.
- ii. Special Allowance of Rs. 80,000/- (Rupees Eighty Thousand Only) per month.
- iii. Rent free accommodation of Rs. 1,70,000/- (Rupees One Lac Seventy Thousand Only) per month.
- iv. Provision of company's car with driver.
- v. Provision of Telephone & fax at residence.
- vi. Re-imbursement of medical expenses within/outside India incurred for self and family.
- vii. Fees of clubs subject to a maximum of two clubs. This will not include admission fees and life membership fees.
- viii. 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, annual revision/ revision of salaries, 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 in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Prem Adip Rishi, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

Resolved further that Mr. Rakesh Gupta, Director of the Company, be and is hereby 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 Limited**

**Place: New Delhi
Date : 30th May, 2013**

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



MVL 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 **14th September, 2013 to 17th September, 2013** (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. Vinod Kumar Khurana and Mr. Vinod Malik are retiring by rotation at the ensuing Annual General Meeting of the Company and shall be re-appointed. Further, Mr. Prem Adip Rishi was appointed as Managing Director on 01.08.2012, consent of shareholders of his appointment shall be taken in this 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Subject to approval of shareholders, the Board of Directors in their meeting held on 13th August, 2012 had appointed Mr. Prem Adip Rishi as Managing Director of the Company for a period of 5 years with effect from 1st August, 2012.

Mr. Prem Adip Rishi, aged 59 years is a science graduate having an experience of over three decades in various lines of businesses including real estate. Mr Rishi has been on the board of the company since its incorporation. In view of such a varied experience possessed by Mr. Prem Adip Rishi, the Board of Directors feels his appointment as expedient and prudent and accordingly recommends for approval by the shareholders of the Company.

None of the Directors except Mr. Prem Adip Rishi are in anyway concerned with or interested in the resolution.

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

**Place: New Delhi
Date : 30th May, 2013**

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

**MVL Limited**

DIRECTORS' REPORT

To the Members

Your Directors have immense pleasure in presenting the 6th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

(Rs. In lacs)

Particulars	Year ended 31.03.2013	Year ended 31.12.2011
Total Income	8539.26	15656.40
Profit from Ordinary activities before Exceptional Item	103.45	2121.59
Profit from Ordinary activities before Tax	103.45	2121.59
Less: Provision for Tax		
Current Tax	50.00	680.00
Deferred Tax	(22.45)	0.88
Profit from Ordinary activities after Tax	75.90	1440.71

2. FINANCIAL OUTLOOK AND OPERATIONS

During the year under review, despite volatile market conditions in real estate, Company recorded a Turnover of Rs. 8539.26 lacs and Profit after Tax of Rs. 75.90 lacs. 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 2013 and many new projects will be added in its project list. Since, during the year under review, the Company has decided not to pursue its hospitality business activity and focus on its core Real Estate business, the land acquired for developing a 5 star hotel in Neemrana, Rajasthan shall be utilized for a residential project. The financial results of the Company for the year include only figures of Real Estate business.

3. EXTENSION OF ACCOUNTING YEAR

During the year under review, the Company has vide board resolution dated 10.12.2012 extended its accounting period by three months i.e. from 31st December to 31st March. As a consequence of the said change in this period the statement of profit and loss figures are for fifteen months ending 31.03.2013, whereas the comparative figures for previous year are for twelve months ending 31.12.2011.

4. SHIFTING OF REGISTERED OFFICE

During the year under review, the Company has shifted its registered office from B-86/1, Okhla Industrial Area, Phase-II, New Delhi-110020 to 1201 B, 12th Floor, Hemkunt Chamber, 89, Nehru Place, New Delhi-110019.

5. 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.

6. 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 31st March, 2013.

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.

7. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Vinod Kumar Khurana and Mr. Vinod Malik, 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. Prem Adip Rishi be appointed as Managing Director w.e.f. 1st August, 2012.

8. 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 March, 2013 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.

9. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

10. 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.

11. FIXED DEPOSITS

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

12. 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.

13. AUDITORS' REPORT

The Auditors' Report to the members together with Audited Accounts for the year ended 31st March, 2013 and notes thereon are attached, which are self-explanatory except their remark regarding unconfirmed balances, to which the board provides the following explanation:

- (i) **Non-provision of doubtful debts and advances:** Company is hopeful for their recovery during the ensuing year, so no provision has been created.



MVL Limited

(ii) **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.

14. PARTICULARS OF EMPLOYEES

Information as per section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended is as follows:

Name of the Employee	Designation	Remuneration (Rs.)*	Qualification	Experience	Date of commencement of employment	Age	Particulars of last employment
Mr. Prem Adip Rishi	Managing Director	60,00,000	B.Sc.	38 Years	18.10.2006	59	Own Business

* Remuneration includes the basic salary and allowances.

15. 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.

16. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Foreign Exchange Earnings	Rs. Nil
b) Foreign Exchange Outgo	
- For Traveling	Rs. 19.96 lacs
- For others	Rs. 27.57 lacs

17. 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 : 30th May, 2013**

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

**Sd/-
(Rakesh Gupta)
Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Real Estate Sector in India

The real estate sector which is one of the fastest growing markets in the world has come a long way and now attracting not only domestic real estate developers but foreign investors are also entering in this business. Various government policies and support has contributed in the real estate growth after recognizing the need for the infrastructure development in the country in order to ensure better standard of living for its citizens. It is expected that by the year 2020, the real estate sector will earn revenue of US\$ 66.8 billion with growth in the tier II and tier III cities which will be about 60%.

There are various factors which act as strong drivers for long term sustainable real estate demand in India such as :

- Continued economic growth;
- Trend towards nuclear families;
- Young working population;
- Rising disposable incomes;
- Increase urbanization;
- Increased immigration;
- Inherent desire to own a home;

According to one source, India is going to produce an estimated two million new graduates from various Indian universities during coming years, which will create demand of 100 million square feet of the office and industrial space. The Economic Survey 2013 points the following interesting facts which have a bearing on the real estate sector in India:

- The real estate contributed 10.8% of GDP while the housing sector contributed 5.9% of the GDP;
- The per capita income is expected to increase by 11.7%;
- Due to moderation of inflation, the Reserve Bank of India has undertaken certain monetary policies to ease the interest rates. The interest rates were marginally reduced, the benefit of which has been passed onto the customers. However, the Banks have not yet passed on the benefits to the companies operating in the sector;
- RBI, to prevent asset bubble in the real estate sector, continued to assign high risk weight-age to loans disbursed to the companies operating in the sector;
- Despite the challenges faced by the economy, the housing credit has been growing.;
- There is thrust on providing low cost housing loans for the affordable housing segment;
- The ECB Guidelines were relaxed to give an impetus to low cost housing projects;

However, in spite of importance of the sector, there are various short term factors which impact growth such as :

- Inflation;
- Higher interest rates;
- High risk weight-age for loans to companies operating in the sector;
- Non availability of low cost working capital;
- Employment growth;
- Time lag during the approval process while launching a project.;
- Higher statutory levies;
- Non availability of skilled manpower;
- Un-certainties surrounding land title.

The employment generated in the construction and real estate sector is tremendous and it is, in fact, the second largest employer in the country. The development of the real estate and construction industry can also be directly linked to the development of approximately 300 different industries like cement, steel, building materials etc. It is, therefore, imperative that impetus should be provided to the construction and real estate sector so that overall economic development can be achieved.

2. Business Outlook

The Indian economy still remains one of the fast growing economies in the world having registered growth rates of 8.6% and 9.3% in FY 2009-10 and FY 2010-11 respectively. However, on account of macro-economic uncertainties, it has showed signs of slow down in the last two financial years. The GDP growth was 6.2% in FY 2011-12 which further dipped to 5.0% in the FY 2012-13. The two important sectors manufacturing and services- grew at a lesser rate leading to the decline in GDP growth.

Nevertheless, moderating inflation and easing of regulatory requirements to induce investments is expected to provide the much needed stimulus for growth. The Economic Survey has pegged the GDP growth at around 6% for the current financial year.

3. SWOT- Real Estate Industry

Strengths

- Development primarily based on strong realistic demand with limited speculative activity
- Among the highest yield in the economy
- Wide gamut of government initiatives which have helped FDI entry in the sector

Weakness

- Still largely an unorganized market with dominance of local level developer
- High transaction cost and need of greater transparency

Opportunities

- Has strong demand drivers going forward- IT-ITES, tourism, increasing consumerism, industrial manufacturing outsources etc
- Affordable housing will be a volume segment in the future and the government of India has laid appropriate tax reliefs for such projects

Threats

- No regulatory body to monitor performance
 - Procedure to obtain licenses are time consuming
 - Infrastructure development by local governments is slow thereby affecting the pace of projects progress
- In MVL, our thrust area is tier II and tier III cities and affordable housing which are promising business destination and concept in coming years. All land is fully consolidated without any dispute and litigation and are in confirming zone as per master plan in the respective area.

4. Financial and operational performance

During the year under review, the company recorded Revenues of Rs. 8539.26 lacs with profit after tax of Rs. 969.41 lacs. There is sizeable decline in the top line of the company during the year because of the reason that its prime projects namely MVL Township at Yamunanagar and Neemrana could not be launched during the year because of delay in getting regulatory approvals. The financial projections of the company including its cash flows were majorly impacted because of this reason during the year. The operating margins of the company also fell because majority of fixed and variable overheads could not be amortized owing to declined revenues.

During the current financial year, the company will be launching these projects by second quarter of the year. Simultaneously, two more Group Housing in Bhiwadi are projected to be launched by the same period. The combined effect of on going projects as well as new launches will definitely improve the top line as well as bottom line of the company during the current financial year.

5. Adequacy of Internal Controls

The company remains committed to maintaining internal controls designed to safeguard the efficiency of operations and security of our assets. Accounting records are adequate for preparation of financial statements and related financial information. The adequacy and effectiveness of internal controls across the various functional levels as well as compliance with laid down systems and policies are monitored both by company's internal control systems and the audit committee on a regular basis. Your statutory auditors have confirmed the adequacy of the internal procedures in their report.

6. Development of Human Resources and relations

The company believes that human resources are vital for giving an edge in its business. The company strictly follows the philosophy of congenial work environment, performance oriented work culture, knowledge, skill building, creativity, responsibility and performance based compensation. There is a constant emphasis in the company for development of skills through training and workshops.

7. Risks and Concerns

In India the real estate market is largely unorganized and dominated by a large number of small players with their limited corporate or large names on the national level. The risks synonymous to the real estate industry includes the global recessionary trend, economic slowdown, increase in financial charges, non availability of raw materials such as land, steel, labour coupled with market fluctuations.

MVL is adequately equipped to face and mitigate any such adverse situation. The Company does not apprehend any inherent risk in the real estate industry in the long run, with the exception of certain primary concerns that have afflicted the progress of real estate industry in general like restrictive legislation in government policies, limited investment from the organized sector, tax burden, rising inflation, high interest rate, volatile global economic environment etc.

8. Cautionary statement

Statements made in the report and elsewhere as applicable in the Annual Report including those stated under the caption Management Discussion and Analysis describing the company's plans, projections and expectations may constitute as forward looking statements within the meaning of applicable laws and regulations. Actual Results may differ materially from those either expressed or implied.

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

Place: New Delhi
Date : 30th May, 2013

Sd/-
(Prem Adip Rishi)
Managing Director