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MVLTM

**11TH ANNUAL REPORT
2017-2018**

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MVL Limited

BOARD OF DIRECTORS

Mr. Prem Adip Rishi

Managing Director

Mr. Deepak Gupta

Whole Time Director & Chief Financial Officer

Mr. Amit Kumar

Independent Director

Mr. Vijay Kumar Sood

Independent Director

Mrs. Kalpana Gupta

Independent Director

Ms. Monika Agarwal

Company Secretary

Statutory Auditors

M/s. Garg Sandeep & Co.
Chartered Accountants, Gurgaon

Bankers

Canara Bank
UCO Bank
Dena Bank
IFCI Limited
IFCI Factors Limited
SICOM Limited

Registered Office

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

Corporate Office

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

Registrars and Share Transfer Agents

Alankit Assignments Limited,
Alankit heights/IE/13,
Jhandewalan Extension,
New Delhi-110055
Ph: 42541234, 23541234
Fax: 91-11-42541967
E-mail: info@alankit.com

**MVL Limited**

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 11th (Eleventh) Annual Report and Company's Audited Financial Statement for the Financial Year ended 31st March, 2018.

1. **FINANCIAL RESULTS**

The company's financial performance, for the year ended March 31st, 2018 is summarized below :

(Rs. In lacs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Total Income	13.83	974.26
Profit/(Loss) before Tax and Exceptional Item	(2357.15)	(193.61)
Exceptional Items Dr/(Cr)	(2201.65)	-
Profit and (Loss) before Tax	(155.50)	(193.61)
Less: Provision for Tax		
Current Tax	(53.03)	-
Deferred Tax	-	-
Profit/(Loss) for the period	(102.47)	(193.61)
Other Comprehensive Income, net of tax		9.53
Total Comprehensive Income for the period	(102.47)	(203.14)

2. **FINANCIAL OUTLOOK AND OPERATIONS**

The Standalone revenue from operations of the Company for year ended March 31, 2018 was down by 98.58% to Rs. 13.83 Lacs. The decline in turnover reflects volatile market conditions in real estate during the year. Standalone loss before Tax changed on a year on year basis from Rs. (193.61) Lacs to Rs. (155.50) Lacs. Standalone Loss after Tax was lower at Rs. (102.47) Lacs as against Rs. (193.61) Lacs in the previous year. There are some delays in getting the approvals from competent authorities as well as achieving the financial closure pertaining to some projects of the Company resulting into fall in Income during the year. However, your Company will witness a growth oriented year 2019 as new projects will commence during the year as their Financial closures are likely to be achieved within current financial year.

The Consolidated revenue from operations of the Company for year ended March 31, 2018 was down by 98.58% to Rs. 13.83 Lacs. Consolidated Loss before Tax was also lower on a year on year basis from Rs. (194.41) Lacs to Rs. (156.40) Lacs.

3. **PRESENT STATUS OF BANK LOANS**

- Canara Bank has declared the loan account as NPA and has filed application under Section 19(4) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 before the Debts Recovery Tribunal-II, Delhi vide application dated 11.5.2015 for recovery of Rs.93.91 crores along with interest upto the date of payment. Canara Bank has issued possession notice dated 28.08.2017 under Section 13(4) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs. 133.64 crores in consortium with UCO Bank along with further interest up to the date of payment. The settlement proposal of the company is under active consideration of the lender bank.
- UCO Bank has declared the loan account as NPA and has filed application under Section 19(4) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 before the Debts Recovery Tribunal-II, Delhi vide application dated 10.7.2014 for recovery of Rs. 43.62 crores along with interest upto the date of payment. The settlement proposal



of the company is under active consideration of the lender bank.

- (iii) Dena Bank has declared the loan account as NPA and has filed application under Section 19(4) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 before the Debts Recovery Tribunal-II, Delhi vide application dated 16.09.2016 for recovery of Rs. 42.67 crores along with interest upto the date of payment. Dena Bank has issued possession notice dated 05.10.2016 under Section 13 (4) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs. 34.92 crores along with further interest up to the date of payment. The settlement proposal of the company is under active consideration of the lender bank.
- (iv) IFCI Ltd has assigned their debt to CFMARC as per their letter dated 18.4.2017. The company has submitted resolution plan to the CFMARC at Rs. 26.84 crores, approval mail received in February 2018, which is to be paid over a period of 5 years which is approved by the ARC. As a consequence, the excess of IFCI debt over the amount of resolution plan amounting to Rs. 22.02 crores is written back and has shown under the head exceptional item (of capital nature) in statement of Profit & Loss.
- (v) 13(4) of SARFAESI Act, 2002 claiming their dues of Rs. 47.10 crores against mortgaged Sicom Limited has declared the Loan Account as NPA on 15.4.2015 and has also proceeded under section property. Sicom has filed application under Section 19(4) of the Recovery of Debts due to Banks and Financial Institutions Act, 1993 before the Debts Recovery Tribunal-I, Delhi vide Original Application dated 7.03.2016 for recovery of Rs.50.62 crores along with interest upto the date of payment. The settlement proposal of the company is under active consideration of the lender bank.
- (vi) IFCI Factors limited has declared the Loan Account as NPA on June 2015 and has also proceeded under section 13(4) of SARFAESI Act, 2002 vide their letter dated 30.3.2017 claiming their dues of Rs.21.18 crores against mortgaged property. The settlement proposal of the company is under active consideration of the lender bank.

4. DIVIDEND

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

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of Rs. 93,454/- related to the financial year 2009-10 and Rs. 1,11,929/- related to the financial year 2010-11. Further, 1,120,318 corresponding shares were transferred as per the requirements of the IEPF rules, the details are provided on our website, at www.mvl.in.

6. FIXED DEPOSITS

The Company has not accepted any public deposit and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Prem Adip Rishi, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Mr. Amit Kumar, additional Director of the Company will be appointed as Independent Director at the ensuing Annual General Meeting.

During the year under review, Mr. Rakesh Gupta has resigned as Director and Chief Financial Officer of the Company w.e.f. 28th September, 2017. Further, Mr. Praveen Kumar has resigned as director of the Company w.e.f. 28th September, 2017 due to non regularization in Annual general meeting.



Mr. Deepak Gupta who was appointed as Whole time Director and Chief Financial Officer of the company w.e.f 07th February, 2018 and Mr. Amit Kumar & Ms. Ramneet who were appointed as Additional directors of the company w.e.f 15th September, 2017.

During the year under review, Ms. Ramneet has resigned from the post of an Additional director of the Company w. e. f. 28th February, 2018. Mr. Raman Sharma has resigned as Whole time director of the Company w. e. f. 20th April, 2018.

In terms of Section 149(7) of the Companies Act, 2013, Mr. Vijay Kumar Sood, Amit Kumar and Mrs. Kalpana Gupta, Independent Directors of the Company have given declarations to the Company to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Brief resumes of Directors proposed to be 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.

8. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them 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 as at March 31, 2018 and of the loss of the Company for the year ended on that date;
- c) the Directors have 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;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

9. POLICIES OF THE COMPANY

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: www.mvl.in.

The following policies of the Company are available on the website of the Company at www.mvl.in.

- a) Policy for selection of Directors and determining Directors independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

10. CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report and attached as **Annexure I**. The requisite certificate from Mr. Manoj Sharma, Partner of RSMV & Co., a firm of Practicing Company Secretary (Membership No. FCS 7516 and C.P. No. 11571) confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

11. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

12. RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company as well as Listing Regulation, 2015 on materiality of related party transactions.

Your Directors draw attention of the members to Note 37 to the financial statement which sets out related party disclosures.

In accordance with Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements with related parties, referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC.2 are attached as **Annexure - II** to this Report.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

14. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENT

The Company has three wholly owned Subsidiaries, namely MVL Developers Limited, Creative Pools Developers Private Limited and Udyan Horticultures Private Limited as on 31st March, 2018. The Company has no Joint Venture Company and no Associate Company. There has been no material change in the nature of the business of the subsidiaries and Associate Companies.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the consolidated financial statements of the Company, which form part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as Annexure A to the Consolidated Financial Statement. The statement also provides the details of performance and financial position of each of the subsidiaries. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website, www.mvl.in. These documents will also be available for inspection till the date of the AGM during business hours at our corporate office in Gurgaon, India.

The Company is also presenting its Audited Consolidated Financial Statements, which form part of the Annual Report as required by the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges.

Pursuant to the provision of Section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2018 is included in the Annual Report.

15. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

16. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate Internal Financial Controls with reference to Financial Statements. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

17. PARTICULARS OF EMPLOYEES

The details as required in terms of the provisions of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure – III** to this Report.

However, information as per Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not given in this Report, as no employee of your Company is covered as per provisions contained therein.

18. AUDITORS

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to appoint the statutory auditors on completion of their term as per Casual vacancy permitted under the Companies Act, 2013. The audit committee of the Company has proposed and the Board of Directors of the Company has recommended the appointment of M/s. Garg Sandeep & Co., Chartered Accountants, IMT Manesar, Gurgaon (Firm registration number: 029283N) as the statutory auditors of the Company. They will hold office for a period of five consecutive years from the conclusion of the 11th Annual General Meeting of the Company scheduled to be held on 29th September, 2018, till the conclusion of the 16th Annual General Meeting to be held in the year 2023, subject to the approval of the shareholders of the Company. They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment. The first year of audit will be of the financial statements for the year ending March 31, 2019, which will include the audit of the quarterly financial statements for the year.

19. AUDITORS' REPORT

1. Point no. III. of Auditor Report per se is the opinion of the Auditor on certain points of notes to accounts attached to the financial statement for the period ended 31.03.2018. Since notes to accounts are part of financial statement prepared by the Company, the Company in the relevant points has explained the each situation which has arisen this time. The relevant clauses of notes to accounts alongwith Board's response is as follows:-
 - i. *Note No. 31 in respect of non-provision of interest with retrospective effect from 01.04.2014 (vide Board Resolution dated 17.02.2015) on loans from banks and financial institutions declared as Non-Performing Account (NPA). As a result of non-provision of said interest of Rs.44,42,61,296/- (Previous Year 47,41,40,387/-) payable during the year on the said NPA Accounts:* - The management expect that it will be able to get interest waivers on the NPA accounts, due to which no provision has been made on the similar prudence practice followed by the banks and financial institutions.
 - ii. *Revenue from operation has been understated by Rs.4,78,86,134/- (previous year Rs.4,49,98,789/-) arising out of percentage of completion (POC) method of accounting, due to non-capitalization of interest directly attributable to project work-in-progress:-* As per past practice and management's decision no interest is provided on bank and institutional loans declared NPA w.e.f. 01.04.2014 on which lenders are also not providing any interest. Final call of this liability is to be taken after negotiated settlement with lenders. It is inconsequence of this decision of non provision of interest on NPA accounts that the revenue from operations is understated by Rs.4,78,86,134/-.
 - iii. *Loss from operation has been understated by Rs. 39,39,13,501/- (previous year Rs.42,91,41,598/-) :-* As explained under the above para, on account of non-provision of interest, loss from operations during the year is reported as understated by Rs.39,39,13,501/-.
2. Point no. VI of Auditor Report per se is the opinion of the Auditor on certain points of notes to accounts attached to the financial statement for the period ended 31.03.2018. Since notes to accounts are part of financial statement prepared by the Company, the Company in the relevant points has explained the each situation which has arisen this time. The relevant clauses of notes to accounts alongwith Board's response is as follows:-
 - a. *Note No. 41 of the accompanying financial statements there exists material uncertainty over the realizability of certain loans and advances claimed as given/advanced for purchase/acquisition of land, rights, projects or properties which are pending either for transfer of property or refund of advances aggregating Rs. 1161.46 Lacs as on 31.3.2018, (previous year Rs. 1469.70 lacs). Out of these advances we are unable to ascertain whether the outstanding advances are fully recoverable/adjustable, since the same are outstanding/remained unadjusted for long. In the absence of some of confirmations and valid supporting agreements, we are unable to ascertain the impact, if any, that may arise on any future date, in case any of these advances are subsequently determined to be doubtful for recovery :-* As in the past, the company is engaged in the trading, development, marketing and construction of Real Estate and Projects. In the process, the company had given advances for purchase / acquisition of land, rights and properties which are recoverable in cash or in kind by way of transfer of land, rights and / or properties. This is a normal phenomenon in the real estate industry. These advances are being recovered, adjusted or land / properties acquired is evident from the fall in the value of such advances from Rs.14.69 crores to Rs.11.61 crores. Management

is hopeful of full recovery and / or acquisition of land / rights / properties in lieu thereof.

- b. *Note No. 29 in respect of non-availability of confirmations in respect of some debit and/or credit balances. In the absence of such confirmations, any provision to be made for the adverse variation in carrying amounts of these balances, are not quantified, as well as the quantum of adjustment if any, required to be made remain unascertained*
:- The Board is of the view that the Company has its own internal audit system to monitor the reconciliations periodically; hence confirmations of all outstanding balances at the year end are not taken.

20. **SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT**

The Board has appointed Mr. Manoj Sharma, Partner, RSMV & Co., Company Secretaries (Membership No. FCS 7516, C.P. No. 11571), to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith and marked as Annexure IV to this Report.

The observations of Secretarial Auditor are self-explanatory except their remark on the below points alongwith Board's response is as follows:-

- i. **Appointment of Chief Financial Officer:** The Board explains that Mr. Rakesh Gupta has resigned as CFO of the Company w.e.f. 28th September, 2017. Further, Mr. Deepak Gupta has been appointed as CFO of the Company w.e.f. 7th February, 2018. This is only a disclosure information which is self-explanatory.
- ii. **Disqualifications of Directors:** The Board explains that the following directors were disqualified under the provisions of Section 164(2), consequent upon non-filing of annual documents by some companies in which the directors are also directors:-
 - Mr. PremAdip Rishi.
 - Mrs. Kalpana Gupta
 - Mr. Vijay Kumar Sood

The said directors filed a petition to the Hon'ble High Court Delhi and the Hon'ble High Court has stayed the notification of the Registrar of Companies declaring the above said directors disqualified.

- iii. *The company has granted loan to its related companies. The company did not charge any interest from the related companies:* The said advances to the group companies were given in pursuance of release of company's project properties given as security against cross guarantee given by both companies. Our company was demerged out of the parent entity Media Video Ltd. now called Noesis Industries Ltd. and these guarantee were given prior to the demerger.
- iv. *The company has not deposited the PF, ESI, Labour Welfare Fund (LWF), TDS, VAT and Works Contract Tax (WCT) amount deducted from the various entities within stipulated time:* The Board explains that however, there are some delays in depositing PF, ESI, Labour Welfare Fund (LWF), TDS, VAT and Works Contract Tax (WCT) during the year, but all liabilities pertaining to PF, ESI, Labour Welfare Fund (LWF), TDS, VAT and Works Contract Tax (WCT) out of these part payments have been already made and balance shall also be cleared in the near future
- v. *Compliances with SEBI (LODR) Regulations, 2015:* The Board is of the opinion that observation on this point is based on the facts and need no comments from the Board.
- vi. *There are disputes with Income Tax and Service Tax Authorities, the proceedings of which are at various stages:* The Board is of the opinion that observation on this point is based on the facts and the stage of disputed liabilities is explained by the statutory auditor in para vi (b) of CARO Report.
- vii. *Status of Bank Loans:* The Board is of the opinion that observation on this point is based on the facts and need no comments from the Board.
- viii. *The Report of the Statutory Auditors on the Financial Statement for the Financial Year 2017-18 is qualified on the basis of the Notes on Accounts (31, 29, 41):* The Board is giving their explanation to the same in their report to the shareholders at S. No. 19 above.
- ix. *There are 96 cases initiated by and against the company under the different Acts:* The Board is of the opinion that observation on this point is based on the facts and need no comments from the Board. Most of the claims are disputed liabilities, which are likely of satisfactory resolution on legal technical ground or by mutual consent.

**21. MEETINGS OF THE BOARD**

Thirteen (13) meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

22. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 furnished in **Form MGT-9** is annexed herewith as **Annexure V**.

23. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

As per the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, the Audit Committee consists of the following members:

- a. Mrs. Kalpana Gupta
- b. Mr. Amit Kumar
- c. Mr. Deepak Gupta

The above composition of the Audit Committee consists of Independent Directors viz., Mrs. Kalpana Gupta and Mr. Amit Kumar who form the majority.

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

24. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board has set up a Stakeholders Relationship Committee comprising of Mrs. Kalpana Gupta (Chairman), Mr. Prem Adip Rishi and Mr. Amit Kumar as other Members. The details of the Committee are furnished at S.No. 3(b) of Report of Corporate Governance of this Annual Report.

25. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board has set up a Nomination and Remuneration Committee comprising of Mrs. Kalpana Gupta (Chairman) and Mr. Vijay Kumar Sood & Mr. Amit Kumar as other Members. The details of the Committee are furnished at S.No. 3(c) of Report of Corporate Governance of this Annual Report.

26. CONSERVATION OF ENERGY

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

27. 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.

28. FOREIGN EXCHANGE EARNING AND OUTGO

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

29. RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement, the company has constituted a risk management committee. The