

5<sup>th</sup> October, 2017

To,  
The Manger (Department of Corporate  
Services)  
**Bombay Stock Exchange Limited**  
Phiroze Jeejee Bhoy Towers,  
Dalal Street  
Mumbai – 400 001

To,  
The Manger – Listing Department  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C-1, G-Block,  
Bandra Kurla Complex  
Bandra (East)  
Mumbai – 400 051

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Ref. Company Code : MVL (NSE)  
Ref. Company Code : 532991 (BSE)

**Sub : Submission of Annual Report under Regulation 34 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the financial year 2016-2017**

Dear Sir/Madam,

As per Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the company for the financial year 2016-2017.

This is for your information and record.

Thanking you,

Yours sincerely,

For **MVL Limited**

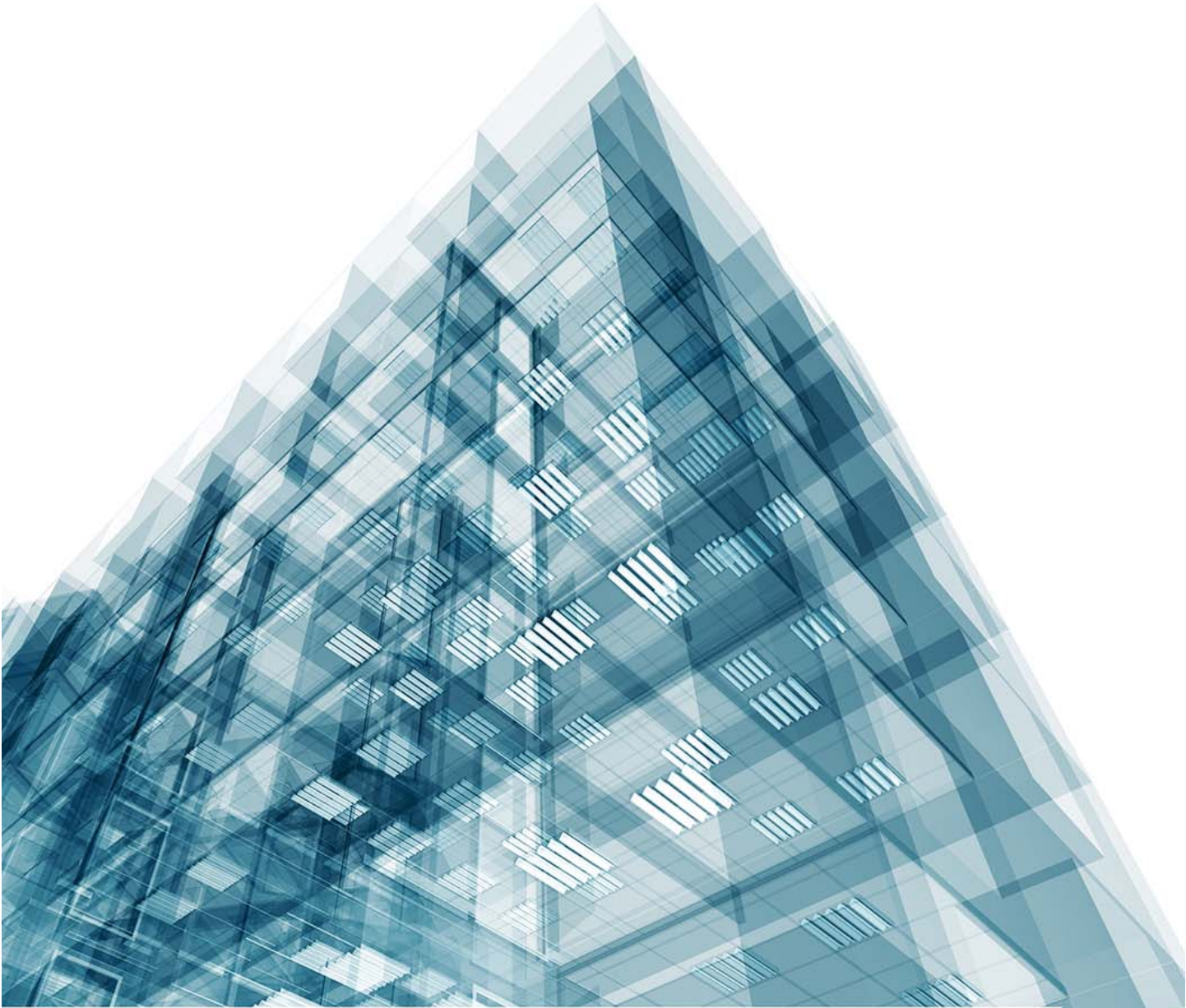
  
  
Monika Agarwal  
Company Secretary

Encl : a/a

**MVL Limited**

Registered Office:  
1201-B, Hemkunt Chamber  
89 Nehru Place, New Delhi-110019  
T: +91-11-41662674

Corporate Office:  
MVL iPark, 6th Floor, Near Red Cross Society  
Chandan Nagar, Sector-15 (II)  
Gurgaon-122001 Haryana (India)  
T: +91-124-4836580 F: +91-124-4836581  
W: www.mvl.in  
CIN No.: L45200DL2006PLC154848



**MVL**<sup>TM</sup>

10<sup>th</sup> ANNUAL REPORT

**2016-2017**

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MVL Limited

## **BOARD OF DIRECTORS**

Mr. Prem Adip Rishi

Mr. Rakesh Gupta

Mr. Praveen Kumar

Mr. Raman Sharma

Mr. Vijay Kumar Sood

Mrs. Kalpana Gupta

Ms. Monika Agarwal

**Managing Director**

**Director & Chief Financial Officer**

**Director**

**Director**

**Independent Director**

**Independent Director**

**Company Secretary**

### **Statutory Auditors**

M/s Arun Kishore & Co.

Chartered Accountants, New Delhi

### **Secretarial Auditors**

RSMV & Co.,

Company Secretaries

### **Bankers**

Canara Bank

UCO Bank

Dena Bank

IFCI Limited

IFCI Factors Limited

SICOM Limited

### **Registered Office**

1201 B, 12<sup>th</sup> Floor,

Hemkunt Chamber,

89 Nehru Place,

New Delhi-110019

### **Corporate Office**

MVL iPark, 6<sup>th</sup> Floor,

Near Red Cross Society,

Chandan Nagar, Sector-15 (II),

Gurgaon – 122001 Haryana (India)

### **Registrars and Share Transfer Agents**

Alankit Assignments Limited,

205-208, Anarkali Complex,

Jhandewalan Extension,

New Delhi-110055

Ph: 42541234, 23541234

Fax: 91-11-42541967

E-mail: [info@alankit.com](mailto:info@alankit.com)



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Tenth Annual Report and Company's Audited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2017.

### 1. **FINANCIAL RESULTS**

The company's financial performance, for the year ended March 31<sup>st</sup>, 2017 is summarized below :

| Particulars  | (Rs. In lacs)            |                          |
|--|--------------------------|--------------------------|
|  | Year ended<br>31.03.2017 | Year ended<br>31.03.2016 |
| Total Income   | 974.26                   | 1626.89                  |
| Profit from Ordinary activities before Exceptional Item      | (203.14)                 | (457.32)                 |
| Profit from Ordinary activities before Tax                   | (203.14)                 | (457.32)                 |
| Less: Provision for Tax                                      |                          |                          |
| Current Tax  | -                        | -                        |
| Deferred Tax   | -                        | (10.83)                  |
| Profit from Ordinary activities after Tax                    | (203.14)                 | (446.49)                 |
| Add: Write back of Excess Provisions                         | -                        | (21.39)                  |
| Net Profit for the period from Ordinary activities after Tax | (203.14)                 | (425.11)                 |
| Net Profit for the period                                    | (203.14)                 | (425.11)                 |

### 2. **FINANCIAL OUTLOOK AND OPERATIONS**

The Standalone revenue from operations of the Company for year ended March 31, 2017 was down by 40.11% to Rs. 974.26 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. (457.32) Lacs to Rs. (203.14) Lacs. Standalone Loss after Tax was lower at Rs. (203.14) Lacs as against Rs. (446.49) 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 2018 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, 2017 was down by 40.11% to Rs. 974.26 Lacs. Consolidated Loss before Tax was also lower on a year on year basis from Rs. (458.15) Lacs to Rs. (203.94) Lacs.

### 3. **PRESENT STATUS OF BANK LOANS**

- (i) 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 also issued notice dated 9.5.2015 under Section 13(2) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs.93.64 crores along with further interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 9.7.2015. The Company's proposal for One Time Settlement is under consideration of Bank.
- (ii) 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. UCO Bank has also issued notice dated 5.3.2014 under Section 13 (2) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs. 40.00 crores along with further



interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 06.05.2014. The Company's proposal for One Time Settlement is under consideration of 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 also issued notice dated 31.3.2016 under Section 13 (2) 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 issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 13.05.2016. The Company's proposal for One Time settlement is under consideration of Bank.
- (iv) IFCI Ltd had declared the Loan Account as NPA and had 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 application dated 19.12.2012 for recovery of Rs. 49.24 crores along with interest upto the date of payment. IFCI Ltd had also issued notice dated 8.12.2014 under section 13(4) of SARFAESI Act, 2002 claiming their dues. IFCI Ltd has now assigned their debt to CFMARC Trust-2 IFCI as per their letter dated 18-04-2017. As such the liability towards IFCI limited has been transferred in the name of CFM an Asset Reconstruction Company, but no formal assignment agreement has been signed with the company as yet , quantifying the amount of liability taken over, therefore loan is stated in the balance sheet at the amount brought forward from the last year. The Company's proposal for One Time Settlement is under consideration of Bank.
- (v) Sicom Limited has declared the Loan Account as NPA on 15.4.2015 and has also proceeded under section 13(4) of SARFAESI Act, 2002 claiming their dues of Rs. 47.10 crores against mortgaged 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 Company's proposal for One Time Settlement is under consideration of 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 Company's proposal for One Time Settlement is under consideration of 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**

In terms of Section 124 &125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2009-10 is due for remittance to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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.

The Company has transferred the unclaimed and unpaid dividends for the financial year 2008-09.

As far as Financial Year 2009-10 is concerned, the requisite notice has been sent to the shareholders keeping in view latest rules issued by the Government of India in this regard. The responses from the shareholders are being examined and necessary action in this regard will be taken on or before 30<sup>th</sup> October 2017.

Further,the corresponding shares will be transferred as per therequirements of the IEPF rules after following the set procedures, details of which are provided on our website, at [www.mvl.in](http://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.



During the year under review, Ms. Chetna Tyagi has resigned as Company Secretary of the Company w.e.f. 2<sup>nd</sup> June, 2016. Further, Ms. Monika Agarwal be appointed as Company Secretary of the Company w.e.f. 2<sup>nd</sup> June, 2016.

Mr. Raman Sharma who was appointed as Additional Director on 01st May, 2017 and holds the said office till the date of the Annual General Meeting. A notice has been received from a member proposing his candidature for his reappointment.

Mr. Vinod Kumar Malik, has resigned as director of the Company w.e.f. 31<sup>st</sup> March 2017. Your Board appreciates his contribution in the working of the company.

In terms of Section 149(7) of the Companies Act, 2013, Mr. Vijay Kumar Sood 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, 2017, 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, 2017 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](http://www.mvl.in).

The following policies of the Company are available on the website of the Company at [www.mvl.in](http://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. V. Ramasamy, Proprietor of V. Ramasamy & Co., a firm of Practicing Company Secretary (Membership No. FCS 6191 and C.P. No. 6618) 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 45 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 31<sup>st</sup> March, 2017. 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, 2017 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 rotate the statutory auditors on completion of the maximum term permitted under the said section. The audit committee of the Company has proposed and the Board of Directors of the Company has recommended the appointment of M/s. Raj Chawla & Associates, Chartered Accountants (Firm registration number: 011602N) as the statutory auditors of the Company. They will hold office for a period of five consecutive years from the conclusion of the 10th Annual General Meeting of the Company scheduled to be held on 27<sup>th</sup> September, 2017, till the conclusion of the 15th Annual General Meeting to be held in the year 2022, 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, 2018, which will include the audit of the quarterly financial statements for the year.

**19. AUDITORS' REPORT**

1. Point no. 4 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 31.03.2017. 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. 39 regarding 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):*The Board is of the opinion that the loan account with the banks and financial institutions which are NPA, are under advanced stage of settlement with the lenders. 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. *Note No. 40 regarding non provision of advances to group companies considered doubtful of recovery and non provision of interest on one of the advance:* The Board is of the opinion that the advance to one of the group company amounting to Rs. 2661.84 lacs was on account of takeover of loan liability of that company to get vacated the lien on the mortgaged properties belonging to company. The Interest is being provided on this advance. However, no interest is provided on other advance to group company amounting to Rs. 64.50 lacs. The management is of the opinion that these advance are recoverable / adjustable and that no provision is necessary at this stage.
2. Point no. 6 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 31.03.2017. 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. 49 of the accompanying financial statements there exists material uncertainty over the realisability 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. 1469.70 Lacs as on 31.3.2017, (previous year Rs. 6817.72 lacs):*The Board is of the view that such advances are made in normal course of business and either their contractual performance will be obtained or they will be recoverable in due course.
  - b. *Note No. 50 in respect of purchase of real estate properties included as part of inventory/ WIP of the value of Rs.9218.77 (previous year Rs. 3886.02 Lacs):* The Board is of the view that the said properties are not fixed asset but a current asset which will be resold. The title of the said properties in the form of execution of Conveyance Deed will be completed at that time. However, it does not impact the financials of the Company.
  - c. *Note No. 37 in respect of non availability of confirmations in respect of some debit and/or credit balances:* 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. V. Ramasamy, Partner, RSMV & Co., Company Secretaries (Membership No. FCS 6191, C.P. No. 6618), to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 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. *The company has granted loan to its related companies. The company did not charge any interest from the related companies:*The Board is giving their explanation to the same in their report to the shareholders at S.No. 19.1.ii above.
- ii. *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) will be cleared very shortly.

- iii. *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.
- iv. *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 need no comments from the Board.
- v. *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.
- vi. *The Report of the Statutory Auditors on the Financial Statement for the Financial Year 2015-16 is qualified on the basis of the Notes on Accounts (37, 39, 40, 49 and 50):* The Board is giving their explanation to the same in their report to the shareholders at S.No. 196 above.
- vii. *There are 161 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.

#### **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. Vijay Kumar Sood
- c. Mr. Rakesh Gupta

The above composition of the Audit Committee consists of Independent Directors viz., Mrs. Kalpana Gupta and Mr. Vijay Kumar Sood 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. Praveen 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), Mr. Vinod Kumar Malik and Mr. Prem Adip Rishi 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



MVL Limited

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 details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

**30. ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. Its redressal is placed on the intranet for the benefit of its employees. During the year under review, no complaints were reported to the Board.

**31. SIGNIFICANT AND MATERIAL ORDERS BY ANY COURTS OR TRIBUNALS**

No significant and material orders have been passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

**32. 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 : 25th August, 2017**

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

**Sd/-  
(Rakesh Gupta)  
Director &  
Chief Financial Officer**

**Registered Office:  
1201B, 12<sup>th</sup> Floor, Hemkunt Chamber,  
89 Nehru Place,  
New Delhi-110019  
Tel: +91-11-41662674  
E-mail: coporates@yahoo.com, info@mvl.in  
Website: www.mvl.in  
CIN : L45200DL2006PLC154848**

## ANNEXURE I TO DIRECTORS' REPORT

### Report on Corporate Governance

#### 1. The Company's philosophy on code of Governance

MVL believes on building long lasting and mutually beneficial relationship based on integrity, ethics and trust in all respect of our business.

Corporate Governance has been high priority for us both in 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 for stakeholders.

In line with the nature and size of operations of the Company, the Corporate Governance framework in MVL is based on the following main principles:

- Constitution of Board of Directors of appropriate composition and balance, comprising of an ideal mix of independent and non-independent directors, all persons with the highest degree of integrity and professionalism, who discharge their responsibility in the best interests of the Company.
- Insistence on a complete adherence to a Code of Business Conduct and Ethics for Directors and Senior Management.
- Ensuring a timely and accurate flow of information at various organizational levels in general and to the Board and its various committees in particular.
- Independent verification of the Company's financial reporting systems and safeguarding integrity thereof.
- A sound system of risk management and internal controls with adequate safeguards and alarm systems.
- Compliance with all applicable laws, rules and regulations, not only in letter but also in their spirit.
- Fair and equitable treatment of all its stakeholders, including employees and shareholders.

#### 2. Board of Directors

The present strength of the Board of Directors of the Company is six which including Chairman, comprise of three Executive Director and three 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

| 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   | Managing Director                  | Promoter<br>Non-Executive Director               | 7   | —  | —      |
| Mr. Praveen Kumar     | Director                           | Executive Director                               | —   | —  | —      |
| Mr. Rakesh Gupta      | Director & Chief Financial Officer | Executive Director<br>Director                   | 4   | —  | 1      |
| Mr. Vijay Kumar Sood  | Director                           | Non-Executive<br>Independent Director            | 2   | —  | 1      |
| Mrs. Kalpana Gupta    | Director                           | Non-Executive<br>Independent Director            | 6   | 4  | —      |
| Mr. Raman Sharma      | Director                           | Executive Director                               | —   | —  | —      |



- \* Number of directorships in other companies excludes alternate directorships, directorships held in private limited companies, foreign companies and in companies under section 8 of the Companies Act, 2013.
- \*\* The Committees considered for the purpose are those prescribed under Regulation 18 to 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**b) Attendance Record of Directors**

| Name of the Director    | No. of Board meetings held | No. of Board meetings attended | Whether attended last AGM held on 30-09-2016 |
|-------------------------|----------------------------|--------------------------------|--|
| Mr. PremAdip Rishi      | 13                         | 13                             | Yes  |
| Mr. Praveen Kumar       | 13                         | 01                             | No   |
| Mr. Rakesh Gupta        | 13                         | 13                             | Yes  |
| Mr. Vijay Kumar Sood    | 13                         | 03                             | No   |
| Mr. Vinod Kumar Malik * | 13                         | 03                             | No   |
| Mrs. Kalpana Gupta      | 13                         | 13                             | Yes  |

\* resigned as director w.e.f. 31.03.2017

**c) No. of Board Meetings held**

As per Listing Agreement, the Board must meet at least four times a year with a maximum gap of not more than four months between any two meetings.

During the year, 13 Board Meetings were held on various dates as per details given below:

|            |            |            |            |            |
|------------|------------|------------|------------|------------|
| 18.04.2016 | 05.05.2016 | 16.05.2016 | 30.05.2016 | 03.06.2016 |
| 18.07.2016 | 12.08.2016 | 25.08.2016 | 11.11.2016 | 15.12.2016 |
| 18.01.2017 | 14.02.2017 | 02.03.2017 |            |            |

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board under Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, separate meeting of the Independent Directors was held on 28<sup>th</sup> January, 2017, without the attendance of non-independent directors and members of the management. All Independent Directors attended the said meeting.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed compliance reports prepared by the Company on half-yearly periodicity.

**d) Brief resume of Directors proposed for appointment/re-appointment**

- i) **Mr. PremAdip Rishi**, aged 62 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. This experience has been instrumental in establishing MVL Limited as a front line company.

**Directorship of Companies (as on 31.03.2017)**

| S. No. | Name of the Company                           | Position                     |
|--------|---|------------------------------|
| 1.     | NoesisIndustries Limited                      | Chairman & Managing Director |
| 2.     | Falcon Technosystems Limited                  | Director                     |
| 3.     | Anukool Films Private Limited                 | Director                     |
| 4.     | Media Magnetic Cassettes Limited              | Director                     |
| 5.     | MVL Credits Holdings & Leasing Limited        | Director                     |
| 6.     | Risbro Technical Equipments Private Limited   | Director                     |
| 7.     | Media Holdings Private Limited                | Director                     |
| 8.     | MVL Developers Limited                        | Director                     |
| 9.     | Cardinal Infratech Limited                    | Director                     |
| 10.    | MVL Solar Power Limited                       | Director                     |
| 11.    | Balaji Tirupati Property Developers Pvt. Ltd. | Director                     |
| 12.    | MVL Mega City Private Limited                 | Director                     |
| 13.    | Udyan Horticultures Private Limited           | Director                     |
| 14.    | Parisar Property Developers Private Limited   | Director                     |
| 15.    | Shiwalik Property Developers Private Limited  | Director                     |
| 16.    | Creative Pools Developers Private Limited     | Director                     |
| 17.    | Creative Pools Estates Private Limited        | Director                     |

**Shareholding in MVL Limited**

Mr. PremAdip Rishi holds 1,37,87,234 equity shares in his name as on 31<sup>st</sup> March, 2017.

- ii) **Mr. Raman Sharma**, aged 51 years is a Graduate in Commerce. He has to his credit over 20 years of vast experience in various fields of financial matters. He is heading the Accounts department of all real estate activities.

**Directorship of Companies (as on 31.03.2017)**

| S. No. | Name of the Company | Position |
|--------|---------------------|----------|
|        | NIL                 |          |

**Shareholding in MVL Limited**

Mr. Raman Sharma holds Nil equity shares in his name as on 31<sup>st</sup> March, 2017.

**e) No. of Shares held by Non-Executive Directors**

Mr. PremAdip Rishi, Non-Executive Director of the Company was holding 1,37,87,234 equity shares of the Company as on 31.03.2017.

**f) Relationship between Directors inter-se**

None of the Directors of the Company are related to each other.



**g) Selection of Independent Directors**

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, *inter alia*, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under law.

**h) Familiarization programmes for Board Members**

In terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarize them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. and the same is available on the website of the Company at [www.mvl.in](http://www.mvl.in).

**i) Meetings of Independent Directors**

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

One meeting of Independent Directors was held during the year. The said meeting was held on 28.01.2017.

**j) Code of Conduct**

In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there exists a Code of Conduct, laid down by the Board, for all Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company ([www.mvl.in](http://www.mvl.in)). The Board Members and Senior Management Personnel have confirmed compliance with the said Code in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A declaration to this effect for the financial year 2016-17 signed by the Managing Director is published in this Report.

**k) Code for Prevention of Insider Trading**

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at ([www.mvl.in](http://www.mvl.in)).

**3. Board Committees**

MVL has the following Board Committees of its Directors for the compliance with various Corporate Governance requirements:

- a) Audit Committee
- b) Stakeholders Relationship Committee.



- c) Nomination and Remuneration Committee
- d) Risk Management Committee

**a) Audit Committee**

**Composition of the Audit Committee**

The composition of Audit Committee is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges. Members of the Audit Committee possess financial / accounting expertise / exposure.

The Audit Committee would assure to the Board, adherence of adequate internal control and financial disclosure and other acts conforming to the requirements of Listing Agreement with the Stock Exchanges.

Presently, Audit Committee comprising two non-executive and independent directors and one executive director viz. Mrs. Kalpana Gupta (Chairman), Mr. Vijay Kumar Sood and Mr. Rakesh Gupta. All members of the Audit Committee have financial knowledge and Mr. Rakesh Gupta have accounting or related financial management expertise. Company Secretary of the company is the Secretary of the Committee.

**Powers of Audit Committee**

- i. To investigate any activity within its terms of reference.
- ii. To seek information from any employee.
- iii. To obtain outside legal or other professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of Audit Committee**

The role of the Audit Committee, *interalia*, includes the following:

- i. Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending the appointment, remuneration and terms of appointment of statutory auditors of the Company.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section 5 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.





- vi. Monitoring and Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii. Reviewing and monitoring the auditors independence and performance, and effectiveness of audit process.
- viii. Approval or any subsequent modification of transactions of the Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the Company, wherever it is necessary.
- xi. Evaluation of internal financial controls and risk management systems.
- xii. Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems.
- xiii. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.
- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Xv. Discussion with internal auditors of any significant findings and follow-up thereon.
- xvi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xvii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- xviii. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xix. To review the functioning of the Vigil Mechanism and Whistle Blower mechanism.
- xx. Approval of appointment of the CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
- xxi. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xxii. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- xxiii. Reviewing the following information:
  - a. The Management Discussion and Analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s).

#### **Committee Meeting Details**

Four meetings of the Audit Committee were held on 03.06.2016, 12.08.2016, 11.11.2016 and 14.02.2017.

**The attendance at the Audit Committee:**

| Name of the Member   | Designation                        | No. of meetings held | No. of meetings attended |
|----------------------|------------------------------------|----------------------|--------------------------|
| Mrs. Kalpana Gupta   | Non-Executive Independent Director | 4                    | 4                        |
| Mr. Rakesh Gupta     | Executive Director                 | 4                    | 4                        |
| Mr. Vijay Kumar Sood | Non-Executive Independent Director | 4                    | 1                        |

**b) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of Shareholders' grievances and complaints satisfactorily and improve the quality of investor services.

The Stakeholders Relationship Committee's composition and the terms of reference meet with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

Mrs. Kalpana Gupta, Director of the Company, chairs the Committee. The other members of the Committee are Mr. Prem Adip Rishi and Mr. Praveen Kumar, Directors of the Company. Company Secretary of the company is the Secretary of the Committee.

Terms of Reference of the Committee, *inter alia*, includes the following:

- i. Oversee and review all matters connected with the transfer of the Company's securities.
- ii. Approve issue of the Company's duplicate share certificates.
- iii. Consider, resolve and monitor redressal of shareholders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.
- iv. Oversee the performance of the Company's Registrars and Transfer Agents.
- v. Recommend methods to upgrade the standard of services to investors.
- vi. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.
- vii. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
- viii. Perform such other functions as may be necessary or appropriate for the performance of its duties.

The Committee met four times during current year on 30.06.2016, 30.09.2016, 31.12.2016 and 31.03.2017.

The attendance at the Stakeholders Relationship Committee meetings is given below:

| Name of the Member  | No. of meetings held | No. of meetings attended |
|---------------------|----------------------|--------------------------|
| Mrs. Kalpana Gupta  | 4                    | 4                        |
| Mr. Prem Adip Rishi | 4                    | 4                        |
| Mr. Praveen Kumar   | 4                    | 1                        |

During the year, no complaint was received from shareholders and no investor complaint was pending at the beginning or at the end of the year. The Company has acted upon all valid requests for share transfer received during 2016-17 and no such transfer is pending.



With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

**c) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of two non-executive and independent and one non-executive director viz. Mrs. Kalpana Gupta (Chairman), Mr. Vijay Kumar Sood and Mr. Prem Adip Rishi, respectively. Head of Human Resource is permanent invitee to the Committee meetings. Company Secretary of the Company is the Secretary of the Committee.

The non-executive Directors have not drawn any remuneration from the Company except sitting fee for meetings of the Board and Committees attended by them.

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Terms of Reference of the Committee**

- i. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- ii. To carry out evaluation of every Director's performance.
- iii. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommended to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- iv. To formulate the criteria for evaluation of Independent Directors and the Board.
- v. To device a policy on Board diversity.
- vi. To recommend/review remuneration of the Managing Director(s) and Whole Time Director(s) based on their performance and defined assessment criteria.
- vii. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- viii. To perform such other functions as may be necessary or appropriate for the performance of its duties.

**Meeting Details**

During the year one nomination and remuneration committee meeting was held on 30/01/2017.

**Remuneration of Directors for 2016-17**

| Name of the Director   | Sitting Fee | Salaries and Allowances | Perquisites | Company's Contribution to PF | Commission and Performance Linked Incentive | Total       |
|------------------------|-------------|-------------------------|-------------|------------------------------|---|-------------|
| Mr. Prem Adip Rishi    | N.A.        | 46,06,798/-             | N.A.        | N.A.                         | N.A.  | 46,06,798/- |
| Mr. Praveen Kumar      | N.A.        | N.A.                    | N.A.        | N.A.                         | N.A.  | N.A.        |
| Mr. Rakesh Gupta       | N.A.        | 20,96,039/-             | N.A.        | N.A.                         | N.A.  | 20,96,039/- |
| Mr. Vinod Kumar Malik* | 1,20,000/-  | N.A.                    | N.A.        | N.A.                         | N.A.  | 1,20,000/-  |
| Mr. Vijay Kumar Sood   | 1,20,000/-  | N.A.                    | N.A.        | N.A.                         | N.A.  | 1,20,000/-  |
| Mrs. Kalpana Gupta     | 96,000/-    | N.A.                    | N.A.        | N.A.                         | N.A.  | 96,000/-    |

\* resigned as director w.e.f. 31.03.2017

**d) Risk Management Committee****Composition of the Committee**

Mrs. Kalpana Gupta, Director of the Company, chairs the Committee. The other members of the Committee are Mr. Prem Adip Rishi and Mr. Rakesh Gupta, Directors of the Company. Company Secretary of the company is the Secretary of the Committee.

The prime responsibility of Risk Management Committee is to implement and monitor the risk management plan and policy of the Company. The Committee's constitution meets with the requirements of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Role and Responsibilities of the Committee includes the following:

- i. Framing of Risk Management Plan and Policy.
- ii. Overseeing implementation of Risk Management Plan and Policy.
- iii. Monitoring of Risk Management Plan and Policy.
- iv. Validating the process of risk management.
- v. Validating the procedure for Risk Minimisation.
- vi. Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- vii. Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- viii. Performing such other functions as may be necessary or appropriate for the performance of its oversight function.

**Meeting Details**

During the year one meeting of the committee was held on 30/01/2017.

The attendance at the Risk Management Committee meeting is given below:

| Name of the Member  | No. of meetings held | No. of meetings attended |
|---------------------|----------------------|--------------------------|
| Mrs. Kalpana Gupta  | 1                    | 1                        |
| Mr. Prem Adip Rishi | 1                    | 1                        |
| Mr. Rakesh Gupta    | 1                    | 1                        |

**4. General Body Meetings**

The particulars of last three Annual General Meetings:-

| Year    | Date       | Time       | Location  | Special resolution   |
|---------|------------|------------|---|--|
| 2015-16 | 30.09.2016 | 12:00 Noon | Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074 | <ul style="list-style-type: none"> <li>i. Approval for Related Party Transactions under Regulation 23 of SEBI (LODR), 2015.</li> <li>ii. To approve mortgaging of the Assets of the Company under Section 180(1)(a) of the Companies Act, 2013.</li> </ul>   |
| 2014-15 | 30.09.2015 | 1:00 P.M.  | Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074 | <ul style="list-style-type: none"> <li>i. Appointment of Mr. Rakesh Gupta as Whole Time Director &amp; Chief Financial Officer of the Company u/s 196, 197, 203 and 188 of the Companies Act, 2013.</li> <li>ii. Borrowing Limits under Section 180(1) (c) of the Companies Act, 2013.</li> <li>iii. Maintenance of the Register of Members and related books at a place other than the Registered Office of the Company u/s 94 of the Companies Act, 2013.</li> </ul> |
| 2013-14 | 30.09.2014 | 1:00 P.M.  | Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074 | Commission to Mrs. Anuradha Rishi, a Relative of Managing Director of the Company U/s 188 of the Companies Act, 2013   |

- Notes:**
- i) Special resolution was passed by e-voting and Poll.
  - ii) There was no postal ballot during the year.
  - iii) The Company has not convened any EGM during the year.

#### 5. Disclosures

**a. Disclosures on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large**

During the period under review, the Company had not entered into any material transaction with any of its related parties. None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 45 of Standalone Financial Statements, forming part of the Annual Report.

All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.

**b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years**

No penalties or strictures have been imposed on the Company by the stock exchange or SEBI or any statutory authority on any matter related to capital market for non-compliance during the last three years. The Company has not received any complaint from Investor's through SEBI/ Stock Exchanges as on March 31, 2017.

However, there was few days delay in submitting the information under Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended on 30<sup>th</sup> June 2016 and financial results to the exchanges for the quarters ended on 30<sup>th</sup> June 2016, 30<sup>th</sup> September 2016 and 31<sup>st</sup> March 2017 in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015.

Further, Securities and Exchange Board of India (SEBI) has passed an order dated 19.12.2014 declaring violation of Collective Investment Scheme for not taking advance permission in respect of collection received for IBC, Gurgaon project in terms of section 11AA of SEBI Act. The company has challenged the said order, requiring the company to refund the total collection by filing an appeal before Securities Appellate Tribunal (SAT), which is pending for final adjudication.

**c. Whistle Blower Policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**d. Compliance with Mandatory Requirements**

(i) **Management Discussion and Analysis:** are given elsewhere in this Annual report.

(ii) **Subsidiaries Companies:** The Company has three Wholly Owned Subsidiaries i.e. M/s MVL Developers Limited, M/s Creative Pools Developers Private Limited & M/s Udyan Horticultures Private Limited.

(iii) **Details about Material Transactions with subsidiaries:** Details of transactions with subsidiaries are given in Note No. 45 of Notes to Financial Statements in Balance-Sheet as at 31/03/2017.

**Compliance with Non-Mandatory Requirements**

**Nomination and Remuneration Committee:** The Board has set up a Nomination and Remuneration Committee, details whereof are furnished at Sr. No. 3(c) of this report.

**e. Means of Communication:**

The Annual, Half yearly and Quarterly Results are submitted to the Stock Exchanges in accordance with the Listing Agreements and are normally published in English in Mint and Financial Express and in Hindi in Rashtriya Sahara and Jansatta. However, the results for the quarter ended on 30<sup>th</sup> June, 2016 and 30<sup>th</sup> September, 2016, were not published as per Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Corporate Filing and Dissemination System (CFDS):** The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE and NSE are filed electronically through the CFDS portal. In particular, the Company informs BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

**NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of action taken on the complaint and its current status.

**f. Risk Management**

In order to ensure that Management controls risk through means of a properly defined framework, a report on Risk Assessment and Minimization procedure as prepared by functional heads of the Company is being reviewed periodically by the Board of Directors.

**6. General Shareholders' Information**

**(a) Company Registration Details**

The Company is registered in the State of Delhi, India. The Corporate Identification Number allotted to the Company by the Ministry of Corporate Affairs is L45200DL2006PLC154848.

**(b) Annual General Meeting****Date** 27<sup>th</sup> September, 2017**Day** Wednesday**Time** 12:30 P.M.**Venue** Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074.**(c) Dividend** The Company is not declaring any dividend**(d) Financial Calendar: 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018**

|   |                               |
|---|-------------------------------|
| Results for the Quarter ending 30 <sup>th</sup> June, 2017      | Second week of August, 2017   |
| Results for the Quarter ending 30 <sup>th</sup> September, 2017 | Second week of November, 2017 |
| Results for the Quarter ending 31 <sup>st</sup> December, 2017  | Second week of February, 2018 |
| Results for the Quarter ending 31 <sup>st</sup> March, 2018     | Last week of May, 2018        |
| Annual General Meeting for the year ending March, 2018          | Last week of September, 2018  |

**(e) Date of Book Closure/** **Friday, 22<sup>nd</sup> September, 2017 to Wednesday, 27<sup>th</sup> September, 2017**  
(both days inclusive)**Record Date** **Wednesday, 20<sup>th</sup> September, 2017****(f) Listing on Stock Exchanges**

| S. No. | Name of the Stock Exchange                         | Stock Code |
|--------|--|------------|
| i.     | The National Stock Exchange of India Limited (NSE) | MVL        |
| ii.    | The Bombay Stock Exchange Limited (BSE)            | 532991     |

**(g) Annual Listing Fee** Not Paid to the Stock Exchanges (BSE & NSE) for the financial year 2017-18**(h) ISIN Number for NSDL & CDSL** INE744I01034**(i) Stock Price Data:**

Monthly High and Low closing quotation of shares traded at National Stock Exchange of India Limited and Bombay Stock Exchange are as follows:

| Month           | National Stock Exchange |              | Bombay Stock Exchange |              |
|-----------------|-------------------------|--------------|-----------------------|--------------|
|                 | High<br>(Rs.)           | Low<br>(Rs.) | High<br>(Rs.)         | Low<br>(Rs.) |
| April, 2016     | 0.40                    | 0.30         | 0.40                  | 0.32         |
| May, 2016       | 0.40                    | 0.25         | 0.40                  | 0.29         |
| June, 2016      | 0.40                    | 0.25         | 0.36                  | 0.29         |
| July, 2016      | 0.40                    | 0.30         | 0.38                  | 0.34         |
| August, 2016    | 0.40                    | 0.30         | 0.40                  | 0.29         |
| September, 2016 | 0.45                    | 0.25         | 0.38                  | 0.34         |
| October, 2016   | 0.50                    | 0.35         | 0.50                  | 0.37         |
| November, 2016  | 0.50                    | 0.35         | 0.50                  | 0.38         |
| December, 2016  | 0.70                    | 0.35         | 0.66                  | 0.39         |
| January, 2017   | 0.65                    | 0.45         | 0.70                  | 0.51         |
| February, 2017  | 0.65                    | 0.45         | 0.69                  | 0.45         |
| March, 2017     | 0.60                    | 0.40         | 0.60                  | 0.45         |

Source: [www.nseindia.com](http://www.nseindia.com)Source: [www.bseindia.com](http://www.bseindia.com)



(j) Shareholding as on 31/03/2017

(i) Distribution of equity shareholding as on 31/03/2017:

| Shareholding of<br>Nominal Value of<br>Rs. | Rs.      | NO. OF SHAREHOLDERS |                            | NO. OF EQUITY SHARES |                      |
|--|----------|---------------------|----------------------------|----------------------|----------------------|
|  |          | TOTAL               | % OF TOTAL<br>SHAREHOLDERS | TOTAL                | % OF TOTAL<br>SHARES |
| 1  | - 5000   | 12,738              | 89.29                      | 1,03,10,024          | 1.71                 |
| 5001                                       | - 10000  | 638                 | 4.47                       | 51,97,796            | 0.86                 |
| 10001                                      | - 20000  | 368                 | 2.58                       | 56,48,663            | 0.94                 |
| 20001                                      | - 30000  | 138                 | 0.97                       | 35,47,561            | 0.59                 |
| 30001                                      | - 40000  | 56                  | 0.39                       | 20,24,016            | 0.34                 |
| 40001                                      | - 50000  | 55                  | 0.38                       | 26,16,996            | 0.44                 |
| 50001                                      | - 100000 | 125                 | 0.88                       | 91,85,395            | 1.53                 |
| 100001 and above                           |          | 148                 | 1.04                       | 56,27,12,749         | 93.59                |
| <b>TOTAL</b>                               |          | <b>14,266</b>       | <b>100.00</b>              | <b>60,12,43,200</b>  | <b>100.00</b>        |

(ii) Categories of equity shareholders as on 31/03/2017:

| Category                      | No. of equity shares held | % of holding  |
|-------------------------------|---------------------------|---------------|
| Promoters                     | 33,42,10,787              | 55.59         |
| Mutual Funds/ UTI             | 49,600                    | 00.01         |
| Financial Institutions/ Banks | 2,91,49,182               | 04.84         |
| Individuals                   | 7,77,64,601               | 12.93         |
| Bodies Corporate              | 15,88,35,608              | 26.41         |
| Employees/Office Bearers      | 4,000                     | 00.00         |
| NRIs/ OCBs                    | 12,29,422                 | 00.22         |
| <b>Grand Total</b>            | <b>60,12,43,200</b>       | <b>100.00</b> |

(k) Shares Transfer System

The shares of the company are tradable compulsorily in demat form and will available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). The share transfer work is handled by Registrar and Share Transfer Agent (RTA), Alankit Assignments Limited. All requests received by the Company/RTA for Dematerialization/Rematerialization/Transfer are disposed off expeditiously. Share Certificates duly endorsed are issued/ transferred to all those shareholders, who opt for shares in the physical form.

(l) Dematerialization of Shares

The Company's Equity Shares are eligible for dematerialization. The Company has signed agreements with both the depositories namely NSDL and CDSL. The shareholders may therefore hold Company's share in electronic mode. The Company's ISIN No. for both the depositories is INE744I01034. As on 31<sup>st</sup> March, 2017, 59,89,95,533 Equity Shares constituting 99.63% of total Equity of the Company were held in dematerialized form with both the depositories namely





MVL Limited

NSDL and CDSL.

**(m) Outstanding GDRs/ADRs/Warrants etc.**

The Company has no outstanding GDRs/ADRs/ Warrants as on 31/03/2017.

**(n) Registrar and Share Transfer Agent**

Alankit Assignments Limited,  
205-208, Anarkali Complex,  
Jhandewalan Extension,  
New Delhi-110055  
Ph: 42541234, 23541234s  
Fax: 91-11-42541967  
E-mail: [info@alankit.com](mailto:info@alankit.com)

**(o) Investors' correspondence can also be addressed to**

Ms. Monika Agarwal  
MVL Limited,  
MVL iPark, 6th Floor,  
Near Red Cross Society,  
Chandan Nagar, Sector-15,  
Gurgaon – 122001, Haryana  
Ph: 0124-4836580  
Fax: 0124-4836581  
E-mail: [coporates@yahoo.com](mailto:coporates@yahoo.com), [info@mvl.in](mailto:info@mvl.in)  
Website: [www.mvl.in](http://www.mvl.in)

**(p) CEO/CFO Certification**

As required by Regulation 17(8) in Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/ CFO certification is given in the Annual report.

**(q) Certificate on Compliance with Code of Conduct**

I, PremAdip Rishi, Managing Director of the Company confirm the compliance of this Code of Conduct by all the members of the Board and Senior Management Personnel.

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

**Place: New Delhi  
Date : 25<sup>th</sup> August, 2017**

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



MVL Limited

**CEO/CFO CERTIFICATION UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Board of Directors,  
**MVL Limited**

- A. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31<sup>st</sup> March, 2017 and to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- 1. there has been no significant changes in internal control over financial reporting during the year;
  - 2. there has been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3. there has been no instances of significant fraud of which we have become aware and their involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi  
Date : 25<sup>th</sup> August, 2017

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

(Sd/-)  
(Rakesh Gupta)  
Director &  
Chief Financial Officer



MVL Limited

**Certificate of Company Secretary in practice regarding compliance of conditions of Corporate Governance**

To the members,  
**MVL Limited**

We have examined the compliance of conditions of corporate governance by MVL Limited for the year ended 31<sup>st</sup> March, 2017, as per Regulations 17 to 27, clause (b) to (i) of sub-regulations (2) of Regulations 46 and paragraphs C,D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as per Regulations 17 to 27, clause (b) to (i) of sub-regulations (2) of Regulations 46 and paragraphs C,D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable..

We further state that such compliance is neither an assurance as to the future viability of Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company **subject to the disclosures in clauses 5(b), (e) and 6(g) of the Corporate Governance Report.**

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For V. Ramasamy & Co.  
Company Secretaries**

**Sd/-  
V. Ramasamy  
Proprietor**

**Membership No. FCS 6191  
C.P. No. 6618**

**Place : New Delhi  
Date : 25<sup>th</sup> August, 2017**



MVL Limited

**ANNEXURE II TO DIRECTORS' REPORT****PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH  
RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013****FORM NO. AOC. 2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and  
Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis:

|    |  |     |
|----|--|-----|
| a. | Name(s) of the related party and nature of relationship  | NIL |
| b. | Nature of contracts/arrangements/transactions  |     |
| c. | Duration of the contracts/arrangements/ transactions   |     |
| d. | Salient terms of the contracts or arrangements or transactions including the value, if any   |     |
| e. | Justification for entering into such contracts or arrangements or transactions   |     |
| f. | Date(s) of approval by the Board   |     |
| g. | Amount paid as advances, if any:   |     |
| h. | Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013 |     |

2. Details of material contracts or arrangement or transactions at arm's length basis:

|    |  |   |   |
|----|--|---|---|
| a. | Name(s) of the related party and nature of relationship                                    | Noesis Industries Limited<br>Related Comapny          | Falco Technosystems Limited<br>Related Company          |
| b. | Nature of contracts/ arrangements/ transactions  | Corporate Advance                                     | Corporate Advance                                       |
| c. | Duration of the contracts/ arrangements/ transactions                                      | Not Specified   | Not Specified   |
| d. | Salient terms of the contracts or arrangements or transactions including the value, if any | Advance of Rs. 2759.43 Lacs is given without interest | Advance of Rs. 56.51 Lacs is given without any interest |
| e. | Date(s) of approval by the Board, if any:  | 20.04.2015  | 02.04.2015  |
| f. | Amount paid as advances, if any:   | As mentioned in (d) above                             | As mentioned in (d) above                               |

**For and on behalf of the Board  
For MVL Limited**

**Place: New Delhi  
Date : 25<sup>th</sup> August, 2017**

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

**ANNEXURE III TO DIRECTORS' REPORT****DETAILS OF REMUNERATION OF EMPLOYEES AND DIRECTORS**

(SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES  
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014)

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.**

and

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;-**

| Name                | Designation                        | Directors Remuneration to Median Remuneration | Percentage Increase in Remuneration |
|---------------------|------------------------------------|---|-------------------------------------|
| Mr. Prem Adip Rishi | Managing Director                  | 16.01   | 0%                                  |
| Mr. Rakesh Gupta    | Director & Chief Financial Officer | 7.28  | 0%                                  |

3. **The percentage increase in the median remuneration of employees in the financial year.**

The percentage increase in the median remuneration of employees in the financial year 2017 is 0%.

4. **The number of permanent employees on the rolls of the Company.**

The number of permanent employees on the rolls of the Company as on 31st March 2017 is 129 across all the locations globally.

5. **The explanation on the relationship between average increase in remuneration and Company performance.**

The reward philosophy of the Company is to provide market competitive increments, keeping the Company performance in perspective, while simultaneously driving a performance culture. The total compensation is a mix of Fixed Pay and Variable pay. Variable compensation is directly linked to an individual performance rating and business performance.

6. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.**

The key managerial personnel's have been hired at market competitive rates. Keeping in mind the Company performance the key managerial personnel were not paid variable salaries.

7. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.**

| Close Price   | April 01, 2016 | March 31, 2017 | % Change |
|---|----------------|----------------|----------|
| NSE   | 0.35           | 0.50           | 42.86%   |
| BSE   | 0.38           | 0.52           | 36.84%   |
| Market Cap  | April 01, 2016 | March 31, 2017 | % Change |
| NSE   | 21.04          | 30.06          | 42.87%   |
| BSE   | 22.85          | 31.26          | 40.30%   |
| Listing pursuant to the Scheme of Arrangement (SOA) vs March 31, 2017 | SOA            | March 31, 2017 | % Change |
| NSE   | 130.00         | 0.50           | -99.62%  |
| BSE   | 127.90         | 0.52           | -99.59%  |
| Price / Earning   | April 01, 2016 | March 31, 2017 | % Change |
| NSE   | N.A.           | N.A.           | N.A.     |
| BSE   | N.A.           | N.A.           | N.A.     |

8. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Considering the company performance, neither Key managerial personnel nor other employees were given any increase in salary during the financial year.

9. **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.**

The two Key Managerial Personnel are:

Mr. Prem Adip Rishi, Managing Director

Mr. Rakesh Gupta, Director & Chief Financial Officer

Remuneration of the Key Managerial persons is as per the industry standards. In Financial Year 2017 no variable was paid to the key managerial personnel.

10. **The key parameters for any variable component of remuneration availed by the directors.**

In Financial Year 2017, no variable was paid to the directors.

11. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.**

The highest paid director is the Managing Director. There is no employee whose salary is higher than the salary of Managing Director.

12. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



MVL Limited

## ANNEXURE IV TO DIRECTORS' REPORT

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9  
of the Companies Appointment and Remuneration Personnel Rules 2014]*

To

The Board of Directors

MVL LIMITED

1201 B, 12th FLOOR HEMKUNT CHAMBER,

89 NEHRU PLACE,

NEW DELHI, Delhi-110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MVL LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **MVL LIMITED** ("the Company") for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015
- v. We further report that the company has, in my opinion complied with the provisions of the Companies Act 2013 and the rules made under this Act and the Memorandum & Articles of Association of the Company with regard to:
  - a) Maintenance of the various statutory registers and documents making necessary entries therein;
  - b) Closure of the register of the members.
  - c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;



- d) service of documents by company on its members, Auditors and the Registrar of Companies;
- e) Notice of Board meetings and committee meetings of Directors;
- f) The 9<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2016;
- g) Minutes of proceedings of General Meetings and of the Board and its Committee Meetings;
- h) Approvals of the members, the Board of Directors, the Committee of the Directors and the Government authorities, wherever required.
- i) Constitution of the Board of directors/Committee(s) of Directors, appointment, retirement and the re-appointment of directors including the Managing director and Whole time Directors;
- j) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel-
- k) Payment of the remuneration to director including Managing Director and Whole time Directors;
- l) Appointment and remuneration of Auditors;
- m) Transfers and the transmission of the company's shares and the debentures issue and dispatch of duplicate certificate of shares.
- n) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- o) Form of balance sheet as prescribed under Part-I, form of statement of profit & loss as prescribed under Part -II and general Instructions for the preparation of the same as prescribed in Schedule VI to the Act.
- p) Director' s Report;
- q) Contracts, Common seal, registered office and publication of the name of the Company; and
- r) Generally, all other applicable provisions of the Act and the Rules made under the Act;

During the period under review the Company has in general complied with provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

The company has granted loan to its group companies. The company did not charge any interest from the group companies. This is not in compliance with the provisions of Section 185 and 186 of the Companies Act, 2013, and rules made thereunder. The company having taken loans from the Banks/Financial Institutions, this is prejudicial to the interest of the company.

- vi. The following are the other various laws applicable to the company. According to the information/details/explanation provided to us, the company has generally complied with the provisions of the said Acts and the company has a mechanism to monitor the compliances of the said laws.
  - The Payment of Wages Act, 1936
  - The Minimum Wages Act, 1948
  - Employees Provident Fund And Misc. Provisions Act, 1952
  - Employers State Insurance Act, 1948
  - The Payment of Bonus Act, 1965
  - The Environment (Protection) Act, 1986
  - Indian Stamp Act, 1999
  - Income Tax Act 1961, Wealth Tax Act, Service Tax Act, Sales Tax Act and Works Contract Tax Act and rules made thereof.





- Negotiable Instrument Act 1881
- Maternity Benefits Act 1961
- Payment of Gratuity Act, 1972
- Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
- Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
- The Indian Contract Act, 1872
- The Transfer of Property Act, 1882
- The Indian Registration Act, 1808
- The Urban Land Ceiling and Regularisation Act, 1976
- The Land Acquisition Act, 1894
- The Indian Evidence Act, 1872
- The Consumer Protection Act, 1986
- The Haryana Development and Regulation of Urban Areas Act, 1975
- The Haryana Apartment Ownership Act, 1983
- The Punjab Scheduled Roads And Controlled Areas Restriction of Unregulated Development Act, 1963
- Urban Improvement Trust, Bhiwadi
- Rajasthan Land Revenue Act 1956
- Secretarial Standards 1 and 2, issued by the Institute of Company Secretaries of India.

However, 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.

We have also examined compliance SEBI (LODR) Regulations, 2015.

**We further report that**

- During the year under review, the paid requisite fees for delayed submission of information under Regulation 31 of SEBI (LODR) Regulations, 2015 for the quarter ended on 30<sup>th</sup> June 2016
- During the year, Company has made few days delay in submitting the information under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Quarter ended June, 2016, September, 2016 and March, 2017.
- Company has not published financial results for the Quarter ended June, 2016, and September, 2016 as required under Regulation 33 of SEBI (LODR) Regulations, 2015.
- The company has not informed the changes in the Directorate / KMP to the exchanges from time to time in terms of Regulation 30 of SEBI (LODR), 2015 read with Clause 7, Part A of Schedule III.
- The Company has not paid Annual listing fees to Stock Exchanges for the Financial Year 2017-18.
- The Securities and Exchange Board of India (SEBI) has passed an order dated 19.12.2014 declaring violation of collective investment scheme for not taking advance permission in respect of collection received for IBC, Gurgaon project in terms of Section 11AA of SEBI ACT. The company has challenged the said order, requiring the company to refund the total collection by filling an appeal before Securities Appellate Tribunal (SAT), which is pending for the final adjudication.

- There are disputes with Income Tax and Service Tax Authorities, the proceedings of which are at various stages as per the details given below:-

| S.No. | NAME OF THE STATUTE | NATURE OF THE DUES & PERIOD | AMONUT UNDER DISPUTE (RS. IN LACS) | FORUM WHERE DISPUTE IS PENDING |
|-------|---------------------|-----------------------------|------------------------------------|--------------------------------|
| 1.    | Income Tax          | Asstt. Year 2013-2014       | 41.47                              | CIT (Appeals)New Delhi         |
| 2.    | Income Tax          | Asstt. Year 2014-2015       | 73.60                              | CIT (Appeals)New Delhi         |
| 3.    | Service Tax         | Upto 31.03.2015             | 589.39                             | CSTAT New Delhi.               |

#### 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 also issued notice dated 9.5.2015 under Section 13(2) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs.93.64 crores along with further interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 9.7.2015. The Company's proposal for One Time Settlement is under consideration of 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. UCO Bank has also issued notice dated 5.3.2014 under Section 13 (2) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs. 40.00 crores along with further interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 06.05.2014. The Company's proposal for One Time Settlement is under consideration of Bank.
- 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 also issued notice dated 31.3.2016 under Section 13 (2) 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 issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 13.05.2016. The Company's proposal for One Time settlement is under consideration of Bank. The Company's proposal for One Time Settlement is under consideration of Bank.
- IFCI Ltd had declared the Loan Account as NPA and had 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 application dated 19.12.2012 for recovery of Rs. 49.24 crores along with interest upto the date of payment. IFCI Ltd had also issued notice dated 8.12.2014 under section 13(4) of SARFAESI Act, 2002 claiming their dues. IFCI Ltd has now assigned their debt to CFMARC Trust-2 IFCI as per their letter dated 18-04-2017. As such the liability towards IFCI limited has been transferred in the name of CFM an Asset Reconstruction Company, but no formal assignment agreement has been signed with the company as yet , quantifying the amount of liability taken over, therefore loan is stated in the balance sheet at the amount brought forward from the last year. The Company's proposal for One Time Settlement is under consideration of Bank.



MVL Limited

- v) Sicom Limited has declared the Loan Account as NPA on 15.4.2015 and has also proceeded under section 13(4) of SARFAESI Act, 2002 claiming their dues of Rs. 47.10 crores against mortgaged 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 Company's proposal for One Time Settlement is under consideration of 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 Company's proposal for One Time Settlement is under consideration of Bank.

**Other matters:**

- The Report of the Statutory Auditors on the Financial Statement for the Financial Year 2016-17 is qualified on the basis of the Notes on Accounts (39 and 40). The directors are giving their explanation to the same in their report to the shareholders.
- The Statutory Auditor have also given emphasis on Notes No.37, 49 and 50 of the Notes on Accounts and the report of the Statutory Auditor is not qualified on these matters.
- There are 150 cases initiated by and against the company under various Acts and fora:

There are 11 winding up cases filed against company under the provisions of Companies Act, 1956.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through. The company has obtained all the necessary approvals under the various provisions of the Act, as and when required.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **RSMV & CO.**  
**Company Secretaries**

Sd/-  
**V Ramasamy**  
**Company Secretary**  
**(Partner)**  
**FCS: 6191**  
**CP No.: 6681**

**PLACE: New Delhi**  
**DATE : 25/08/2017**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



MVL Limited

**'ANNEXURE A'**

The Board of Directors  
MVL LIMITED  
1201 B, 12th FLOOR HEMKUNT CHAMBER,  
89 NEHRU PLACE,  
NEW DELHI -110019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **RSMV & CO.**  
**Company Secretaries**

**Sd/-**  
**V Ramasamy**  
**Company Secretary**  
**(Partner)**  
**FCS: 6191**  
**CP No.: 6681**

**PLACE: New Delhi**  
**DATE : 25/08/2017**



MVL Limited

**ANNEXURE V TO DIRECTORS' REPORT**

FORM NO. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31/03/2016

**I REGISTRATION & OTHER DETAILS:**

|     |  |   |
|-----|--|---|
| i   | CIN  | L45200DL2006PLC154848   |
| ii  | Registration Date  | 18-Oct-06   |
| iii | Name of the Company  | MVL LIMITED   |
| iv  | Category of the Company  | Public Company  |
| v   | <b>Address of the Registered office &amp; contact details</b>        |   |
|     | Address  | 1201B, 12th Floor, Hemkunt Chamber,<br>89 Nehru Place, New Delhi-110019 |
|     | Town / City  | New Delhi   |
|     | State  | Delhi   |
|     | Country Name   | India   |
|     | Telephone (with STD Code)  | 011-41662674  |
|     | Fax Number   | —   |
|     | Email Address  | coporates@yahoo.com   |
|     | Website, if any  | <a href="http://www.mvl.in">www.mvl.in</a>                              |
| vi  | Whether listed company   | Yes   |
| vii | <b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b> |   |
|     | Name of RTA  | Alankit Assignments Limited   |
|     | Address  | 205-208, Anarkali Complex, Jhandewalan Extension,                       |
|     | Town / City  | New Delhi   |
|     | State  | Delhi   |
|     | Pin Code   | 110055  |
|     | Telephone  | 011- 42541234, 011-23541234   |
|     | Fax Number   | 011-42541967  |
|     | Email Address  | info@alankit.com  |

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

Real Estate

All the business activities contributing 10 % or more of the total turnover

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1       | Real Estate                                      | 68- Real estate activities        | 100                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

|  |   |
|--|---|
| No. of Companies for which information is being filled | 3 |
|--|---|

| S. No. | NAME AND ADDRESS OF THE COMPANY           | CIN/GLN               | HOLDING/SUBSIDIARY/ASSOCIATE | % of shares held | Applicable Section |
|--------|---|-----------------------|------------------------------|------------------|--------------------|
| 1      | MVL Developers Limited                    | U45400DL2007PLC171222 | Subsidiary                   | 99.99            | 2(87)(ii)          |
| 2      | Udyan Horticultures Private Limited       | U70100DL2011PTC217503 | Subsidiary                   | 99.99            | 2(87)(ii)          |
| 3      | Creative Pools Developers Private Limited | U70200DL2011PTC218821 | Subsidiary                   | 99.99            | 2(87)(ii)          |

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

| Category of Shareholders                  | No. of shares held at the beginning of the year (As on 01-04-2016) |              |                  |                   | No. of Shares held at the end of the year as on 31/03/2017 |              |                  |                   | % change during the year |
|---|--|--------------|------------------|-------------------|--|--------------|------------------|-------------------|--------------------------|
|   | Demat  | Physical     | Total            | % of total Shares | Demat  | Physical     | Total            | % of total Shares |                          |
| <b>A. Promoters</b>                       |  |              |                  |                   |  |              |                  |                   |                          |
| (1) Indian                                |  |              |                  |                   |  |              |                  |                   |                          |
| a) Individual/ HUF                        | 71855286   | 0            | 71855286         | 11.95%            | 71855286   | 0            | 71855286         | 11.95%            | 0.00%                    |
| b) Central Govt                           | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| c) State Govt(s)                          | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| d) Bodies Corp.                           | 262280633  | 0            | 262280633        | 43.62%            | 262280633  | 0            | 262280633        | 43.62%            | 0.00%                    |
| e) Banks / FI                             | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| f) Any other                              | 74868  | 0            | 74868            | 0.01%             | 74868  | 0            | 74868            | 0.01%             | 0.00%                    |
| (2) Foreign                               |  |              |                  |                   |  |              |                  |                   |                          |
| a) NRI - Individual                       | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| b) Other - Individual                     | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| c) Bodies Corp.                           | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| d) Banks / FI                             | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| e) Any Others                             | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| <b>Total Shareholding of Promoter (A)</b> | <b>334210787</b>   | <b>0</b>     | <b>334210787</b> | <b>55.59%</b>     | <b>334210787</b>   | <b>0</b>     | <b>334210787</b> | <b>55.59%</b>     | <b>0.00%</b>             |
| <b>B. Public Shareholding</b>             |  |              |                  |                   |  |              |                  |                   |                          |
| <b>1. Institutions</b>                    |  |              |                  |                   |  |              |                  |                   |                          |
| a) Mutual Funds                           | 0  | 49600        | 49600            | 0.01%             | 0  | 49600        | 49600            | 0.01%             | 0.00%                    |
| b) Banks / FI                             | 29141982   | 7200         | 29149182         | 4.85%             | 29141982   | 7200         | 29149182         | 4.85%             | 0.00%                    |
| c) Central Govt                           | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| d) State Govt(s)                          | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| e) Venture Capital Funds                  | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| f) Insurance Companies                    | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| g) FIs                                    | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| h) Foreign Venture Capital Funds          | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| i) Others (specify)                       | 0  | 0            | 0                | 0.00%             | 0  | 0            | 0                | 0.00%             | 0.00%                    |
| <b>Sub-total (B)(1):-</b>                 | <b>29141982</b>  | <b>56800</b> | <b>29198782</b>  | <b>4.86%</b>      | <b>29141982</b>  | <b>56800</b> | <b>29198782</b>  | <b>4.86%</b>      | <b>0.00%</b>             |

| Category of Shareholders  | No. of shares held at the beginning of the year (As on 01-04-2016) |          |           |                   | No. of Shares held at the end of the year as on 31-03-2017 |          |           |                   | % change during the year |
|---|--|----------|-----------|-------------------|--|----------|-----------|-------------------|--------------------------|
|   | Demat  | Physical | Total     | % of total Shares | Demat  | Physical | Total     | % of total Shares |                          |
| <b>2. Non-Institutions</b>  |  |          |           |                   |  |          |           |                   |                          |
| a) Bodies Corp.   |  |          |           |                   |  |          |           |                   |                          |
| i) Indian   | 161513689  | 243600   | 161757289 | 26.90%            | 158477008  | 243600   | 158720608 | 26.40%            | 0.51%                    |
| ii) Overseas  | 0  | 0        | 0         | 0.00%             | 0  | 0        | 0         | 0.00%             | 0.00%                    |
| b) Individuals  |  |          |           |                   |  |          |           |                   |                          |
| i) Individuals shareholders holding nominal share capital upto Rs. 2 lakh         | 38311776   | 1636377  | 39948153  | 6.64%             | 37549023   | 1627977  | 39177000  | 6.52%             | 0.13%                    |
| ii) Individuals shareholders holding nominal share capital in excess of Rs 2 lakh | 34566592   | 226090   | 34792682  | 5.79%             | 38361511   | 226090   | 38587601  | 6.42%             | -0.63%                   |
| c) NBFCs Registered with RBI  | 0  | 0        | 0         | 0.00%             | 115000   | 0        | 115000    | 0.02%             | -0.02%                   |
| d) Others (specify)   | 0  | 0        | 0         | 0.00%             | 0  |          | 0         | 0.00%             | 0.00%                    |
| i) Non Resident Indians   | 1242307  | 89200    | 1331507   | 0.22%             | 1140222  | 89200    | 1229422   | 0.20%             | 0.02%                    |
| ii) Clearing Members  | 0  | 0        | 0         | 0.00%             | 0  | 0        | 0         | 0.00%             | 0.00%                    |
| iii) Employee/Office Bearers  | 0  | 4000     | 4000      | 0.00%             | 0  | 4000     | 4000      | 0.00%             | 0.00%                    |
| iv) Trust   | 0  | 0        | 0         | 0.00%             | 0  | 0        | 0         | 0.00%             | 0.00%                    |
| Sub-total (B)(2):-  | 235634364  | 2199267  | 237833631 | 39.56%            | 235642764  | 2190867  | 237833631 | 39.56%            | 0.00%                    |
| Total Public Shareholding (B)= (B)(1)+ (B)(2)                                     | 264776346  | 2256067  | 267032413 | 44.41%            | 264784746  | 2247667  | 267032413 | 44.41%            | 0.00%                    |
| C. Shares held by Custodian for GDRs & ADRs                                       | 0  | 0        | 0         | 0.00%             | 0  | 0        | 0         | 0.00%             | 0.00%                    |
| Grand Total (A+B+C)   | 598987133  | 2256067  | 601243200 | 100.00%           | 598995533  | 2247667  | 601243200 | 100.00%           | 0.00%                    |

**ii. Shareholding of Promoters**

| S.No | Shareholder's Name                  | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |   | % Change in share holding during the year |
|------|-------------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|---|
|      |                                     | No. of Shares                             | % of total shares of the Company | % of Shares pledged/ encumbered to total shares | No. of Shares                       | % of total shares of the Company | % of shares pledged/ encumbered to total shares |   |
| 1    | Prem Adip Rishi                     | 13786434                                  | 2.29                             | 2.08  | 13786434                            | 2.29                             | 2.08  | 0.00                                      |
| 2    | Anuradha Rishi                      | 22077376                                  | 3.67                             | 0.00  | 22077376                            | 3.67                             | 0.00  | 0.00                                      |
| 3    | Anukool Rishi                       | 23425751                                  | 3.90                             | 0.00  | 23425751                            | 3.90                             | 0.00  | 0.00                                      |
| 4    | Anukool Rishi                       | 3312185                                   | 0.55                             | 0.00  | 3312185                             | 0.55                             | 0.00  | 0.00                                      |
| 5    | Arjun Rishi                         | 8970050                                   | 1.49                             | 0.00  | 8970050                             | 1.49                             | 0.00  | 0.00                                      |
| 6    | Prem Adip Rishi HUF                 | 266290                                    | 0.04                             | 0.00  | 266290                              | 0.04                             | 0.00  | 0.00                                      |
| 7    | Prem Adip Rishi JT. Anuradha Rishi  | 800                                       | 0.00                             | 0.00  | 800                                 | 0.00                             | 0.00  | 0.00                                      |
| 8    | Anuradha Rishi JT. Prem Adip Rishi  | 16400                                     | 0.00                             | 0.00  | 16400                               | 0.00                             | 0.00  | 0.00                                      |
| 9    | MVL Credits Holdings & Leasing Ltd. | 127397052                                 | 21.19                            | 0.00  | 127397052                           | 21.19                            | 0.00  | 0.00                                      |
| 10   | MVL Credits Holdings & Leasing Ltd. | 405393                                    | 0.07                             | 0.00  | 405393                              | 0.07                             | 0.00  | 0.00                                      |
| 11   | Risbro Tech. Equipments Pvt. Ltd.   | 46197954                                  | 7.68                             | 0.45  | 46197954                            | 7.68                             | 0.45  | 0.00                                      |
| 12   | Media Holdings Private Limited      | 24041000                                  | 4.00                             | 4.00  | 24041000                            | 4.00                             | 4.00  | 0.00                                      |
| 13   | Anukool Films Private Limited       | 3898300                                   | 0.65                             | 0.47  | 3898300                             | 0.65                             | 0.47  | 0.00                                      |
| 14   | Media Magnetic Cassettes Limited    | 60340934                                  | 10.04                            | 10.02   | 60340934                            | 10.04                            | 10.02   | 0.00                                      |
| 15   | Rakesh Gupta                        | 70000                                     | 0.01                             | 0.00  | 70000                               | 0.01                             | 0.00  | 0.00                                      |
| 16   | Rakesh Gupta                        | 2234                                      | 0.00                             | 0.00  | 2234                                | 0.00                             | 0.00  | 0.00                                      |
| 17   | Rajesh Galhotra                     | 2634                                      | 0.00                             | 0.00  | 2634                                | 0.00                             | 0.00  | 0.00                                      |
|      | <b>TOTAL</b>                        | <b>334210787</b>                          | <b>55.58</b>                     | <b>17.02</b>                                    | <b>334210787</b>                    | <b>55.58</b>                     | <b>17.02</b>                                    | <b>0.00</b>                               |

iii. Change in Promoters' Shareholding ( please specify, if there is no change)

| Sl. No.                            | Name | Shareholding                                |                                  | Date | Increase/Decrease in Shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) |                                  |
|------------------------------------|------|---|----------------------------------|------|-----------------------------------|--------|--|----------------------------------|
|                                    |      | No. of Shares at the beginning (01-04-2016) | % of total shares of the company |      |                                   |        | No. of Shares  | % of total shares of the company |
| No Change in Promoter Shareholding |      |   |                                  |      |                                   |        |  |                                  |

Inter-se Transfer among Promoters

| Sl. No.                            | Name | Shareholding                                |                                  | Date | Increase/Decrease in Shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) |                                  |
|------------------------------------|------|---|----------------------------------|------|-----------------------------------|--------|--|----------------------------------|
|                                    |      | No. of Shares at the beginning (01-04-2016) | % of total shares of the company |      |                                   |        | No. of Shares  | % of total shares of the company |
| No Change in Promoter Shareholding |      |   |                                  |      |                                   |        |  |                                  |

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Name                         | Shareholding  |                                  | Date       | Increase/Decrease in Shareholding | Reason | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) |                                  |
|---------|------------------------------|---|----------------------------------|------------|-----------------------------------|--------|--|----------------------------------|
|         |                              | No. of Shares at the beginning (01-04-2016)/ end of the year (31-03-2017) | % of total shares of the company |            |                                   |        | No. of Shares  | % of total shares of the company |
| 1       | Dena Bank-Constituent Branch | 28343375  | 4.71                             | 01/04/2016 | 0                                 | 0      |  |                                  |
|         |                              | 28343375  | 4.71                             | 31/03/2017 |                                   |        | 28343375   | 4.71                             |
| 2       | Religare Finvest Limited     | 23303114  | 3.88                             | 01/04/2016 | 0                                 | 0      |  |                                  |
|         |                              |   | 0.00                             | 09/09/2016 | 598745                            | Sale   | 22704369   | 3.78                             |
|         |                              |   | 0.00                             | 03/03/2017 | 1500000                           | Sale   | 21204369   | 3.53                             |
|         |                              | 23303114  | 3.88                             | 31/03/2017 |                                   |        | 21204369   | 3.53                             |
| 3       | Noesis Industries Limited    | 12076583  | 2.01                             | 01/04/2016 | 0                                 | 0      |  |                                  |
|         |                              | 12076583  | 2.01                             | 31/03/2017 |                                   |        | 12076583   | 2.01                             |
| 4       | Karvy Financial Services Ltd | 12260994  | 2.04                             | 01/04/2016 | 0                                 | 0      |  |                                  |
|         |                              | 12260994  | 2.04                             | 31/03/2017 |                                   |        | 12260994   | 2.04                             |
| 5       | Aarken Advistors Pvt. Ltd.   | 11843861  | 1.97                             | 01/04/2016 | 0                                 | 0      |  | 0.00                             |
|         |                              | 11843861  | 1.97                             | 31/03/2017 |                                   |        | 11843861   | 1.97                             |
| 6       | SBI Global Factors Ltd.      | 6670000   | 1.11                             | 01/04/2016 | 0                                 | 0      |  | 0.00                             |
|         |                              | 6670000   | 1.11                             | 31/03/2017 |                                   |        | 6670000  | 1.11                             |



| Sl. No. | Name                          | Shareholding  |                                  | Date       | Increase/Decrease in Shareholding | Reason     | Cumulative Shareholding during the year (01-04-2016 to 31-03-2017) |                                  |
|---------|-------------------------------|---|----------------------------------|------------|-----------------------------------|------------|--|----------------------------------|
|         |                               | No. of Shares at the beginning (01-04-2016)/ end of the year (31-03-2017) | % of total shares of the company |            |                                   |            | No. of Shares  | % of total shares of the company |
| 7       | Sunlife Securities Pvt. Ltd.  | 6328082   | 1.05                             | 01/04/2016 | 0                                 | 0          |  | 0.00                             |
|         |                               | 6328082   | 1.05                             | 31/03/2017 |                                   |            | 6328082  | 1.05                             |
| 8       | Primus Real Estates Pvt. Ltd. | 6198277   | 1.03                             | 01/04/2016 | 0                                 | 0          |  |                                  |
|         |                               | 6198277   | 1.03                             | 31/03/2017 |                                   |            | 6198277  | 1.03                             |
| 9       | Hemant Kumar Motihar          | 385000  | 0.06                             | 01/04/2016 | 0                                 | 0          |  |                                  |
|         |                               |   |                                  | 16/12/2016 | 2478994                           | Purchase   | 2863994  | 0.48                             |
|         |                               |   |                                  | 23/12/2016 | 855100                            | Purchase   | 3719094  | 0.62                             |
|         |                               |   |                                  | 06/01/2017 | 34197                             | Purchase   | 3753291  | 0.62                             |
|         |                               |   |                                  | 13/01/2017 | 169040                            | Purchase   | 3922331  | 0.65                             |
|         |                               |   |                                  | 20/01/2017 | 901262                            | Purchase   | 4823593  | 0.80                             |
|         |                               |   |                                  | 27/01/2017 | 325846                            | Purchase   | 5149439  | 0.86                             |
|         |                               |   |                                  | 03/02/2017 | 441802                            | Purchase   | 5591241  | 0.93                             |
|         |                               |   |                                  | 10/02/2017 | 650000                            | Purchase   | 6241241  | 1.04                             |
|         |                               |   |                                  | 03/03/2017 | 808759                            | Purchase   | 7050000  | 1.17                             |
|         |                               |   |                                  | 10/03/2017 | 868072                            | Purchase   | 7918072  | 1.32                             |
|         |                               |   |                                  | 31/03/2017 | 326440                            | Purchase   | 8244512  | 1.37                             |
|         |                               |   |                                  | 385000     | 0.06                              | 31/03/2017 |  |                                  |
| 10      | Shabnam Motihar               | 0   | 0.00                             | 01/04/2016 | 0                                 | 0          |  |                                  |
|         |                               |   |                                  | 09/12/2016 | 5957125                           | Purchase   | 5957125  | 0.99                             |
|         |                               |   |                                  | 16/12/2016 | 161000                            | Purchase   | 6118125  | 1.02                             |
|         |                               |   |                                  | 10/02/2017 | 215129                            | Purchase   | 6333254  | 1.05                             |
|         |                               |   |                                  | 17/02/2017 | 6250                              | Purchase   | 6339504  | 1.05                             |
|         |                               |   |                                  | 10/03/2017 | 207456                            | Purchase   | 6546960  | 1.09                             |
|         |                               |   |                                  | 619921     | 0.10                              | 31/03/2017 |  |                                  |

**v. Shareholding of Directors and Key Managerial Personnel:**

| Sl. No.             | Name                      | Shareholding  |  | Date       | Increase/<br>Decrease in<br>Shareholding | Reason                                      | Cumulative Shareholding<br>during the year<br>(01-04-2016 to 31-03-2017) |  |
|---------------------|---------------------------|---|--|------------|--|---|--|--|
|                     |                           | No. of Shares<br>at the beginning<br>(01-04-2016)/<br>end of the year<br>(31-03-2017) | % of total<br>shares of the<br>company |            |  |   | No. of<br>Shares   | % of total<br>shares of<br>the company |
| <b>A. DIRECTORS</b> |                           |   |  |            |  |   |  |  |
| 1                   | Mr. Vinod<br>Kumar Malik* | 0   | 0.00                                   | 01/04/2016 | 0  | Nil Holding/<br>movement<br>during the year | 0  | 0.00                                   |
|                     |                           | 0   | 0.00                                   | 31/03/2017 |  |   | 0  | 0.00                                   |
| 2                   | Mr. Vijay<br>Kumar Sood   | 0   | 0.00                                   | 01/04/2016 | 0  | Nil Holding/<br>movement<br>during the year | 0  | 0.00                                   |
|                     |                           | 0   | 0.00                                   | 31/03/2017 |  |   | 0  | 0.00                                   |
| 3                   | Mrs. Kalpana<br>Gupta     | 0   | 0.00                                   | 01/04/2016 | 0  | Nil Holding/<br>movement<br>during the year | 0  | 0.00                                   |
|                     |                           | 0   | 0.00                                   | 31/03/2017 |  |   | 0  | 0.00                                   |
| <b>B. KMP'S</b>     |                           |   |  |            |  |   |  |  |
| 1                   | Mr. Prem Adip<br>Rishi    | 13787234  | 2.29                                   | 01/04/2016 | 0  | Nil<br>movement<br>during the year          | 0  | 0.00                                   |
|                     |                           | 13787234  | 2.29                                   | 31/03/2017 |  |   | 13787234   | 2.29                                   |
| 2                   | Mr. Rakesh<br>Gupta       | 72234   | 0.01                                   | 01/04/2016 | 0  | Nil movement<br>during the year             | 0  | 0.00                                   |
|                     |                           | 72234   | 0.01                                   | 31/03/2017 |  |   | 72234  | 0.01                                   |

\* Resigned from directorship w.e.f. 31/03/2017.

**v INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| Indebtedness at the beginning of the financial year<br>(01.04.2016) | Secured Loans<br>excluding deposits | Unsecured Loans | Deposits | Total<br>Indebtedness |
|---|-------------------------------------|-----------------|----------|-----------------------|
| i) Principal Amount   | 2562638646                          | 1112684         | 0        | 2563751330            |
| ii) Interest due but not paid                                       | 0                                   | 0               | 0        | 0                     |
| iii) Interest accrued but not due                                   | 0                                   | 0               | 0        | 0                     |
| <b>Total (i+ii+iii)</b>   | <b>2562638646</b>                   | <b>1112684</b>  | <b>0</b> | <b>2563751330</b>     |
| Change in Indebtedness during the financial year                    | Secured Loans<br>excluding deposits | Unsecured Loans | Deposits | Total<br>Indebtedness |
| ● Addition  | -100000                             | 0               | 0        | -100000               |
| ● Reduction   | 0                                   | 861979          | 0        | 861979                |
| <b>Net Change</b>   | <b>-100000</b>                      | <b>-861979</b>  | <b>0</b> | <b>-961979</b>        |
| Indebtedness at the end of the financial year<br>(31.03.2017)       | Secured Loans<br>excluding deposits | Unsecured Loans | Deposits | Total<br>Indebtedness |
| i) Principal Amount   | 2562538646                          | 250705          | 0        | 2562789351            |
| ii) Interest due but not paid                                       | 0                                   | 0               | 0        | 0                     |
| iii) Interest accrued but not due                                   | 0                                   | 0               | 0        | 0                     |
| <b>Total (i+ii+iii)</b>   | <b>2562538646</b>                   | <b>250705</b>   | <b>0</b> | <b>2562789351</b>     |



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl. No. | Particulars of Remuneration   | Name of MD/WTD/Manager |  | Total Amount   |
|---------|---|------------------------|--|----------------|
|         |   | Mr. Prem Adip Rishi    |  |                |
| 1       | Gross salary  |                        |  |                |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3960000                |  | 3960000        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 646798                 |  | 646798         |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | 0                      |  | 0              |
| 2       | Stock Option  | 0                      |  | 0              |
| 3       | Sweat Equity  | 0                      |  | 0              |
| 4       | Commission  |                        |  |                |
|         | - as % of profit  | 0                      |  | 0              |
|         | -others, specify  | 0                      |  | 0              |
| 5       | Others, please specify  | 0                      |  | 0              |
|         | <b>Total (A)</b>  | 4606798                |  | 4606798        |
|         | Ceiling as per the Act  | <b>6000000</b>         |  | <b>6000000</b> |

**B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| Sl. No. | Particulars of Remuneration   | Key managerial Personnel |                   |         |
|---------|---|--------------------------|-------------------|---------|
|         |   | CFO                      | Company Secretary | Total   |
| 1       | Gross salary  |                          |                   |         |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2067239                  | 255496            | 2322735 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 28800                    | 0                 | 28800   |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | 0                        | 0                 | 0       |
| 2       | Stock Option  | 0                        | 0                 | 0       |
| 3       | Sweat Equity  | 0                        | 0                 | 0       |
| 4       | Commission  |                          |                   |         |
|         | - as % of profit  | 0                        | 0                 | 0       |
|         | -others, specify  | 0                        | 0                 | 0       |
| 5       | Others, please specify  | 0                        | 0                 | 0       |
|         | <b>Total</b>  | 2096039                  | 255496            | 2351535 |

\* *Mr. Rakesh Gupta is re-designated as Director and Chief Financial Officer of the Company and he is not getting any other remuneration as Director of the Company.*



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty /Punishment/ Compounding fees imposed | Authority[RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                             |                                    |
| Penalty                             |                              |                   | <b>Not Applicable</b>                                    |                             |                                    |
| Punishment                          |                              |                   |  |                             |                                    |
| Compounding                         |                              |                   |  |                             |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                             |                                    |
| Penalty                             |                              |                   | <b>Not Applicable</b>                                    |                             |                                    |
| Punishment                          |                              |                   |  |                             |                                    |
| Compounding                         |                              |                   |  |                             |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                             |                                    |
| Penalty                             |                              |                   | <b>Not Applicable</b>                                    |                             |                                    |
| Punishment                          |                              |                   |  |                             |                                    |
| Compounding                         |                              |                   |  |                             |                                    |



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Real Estate Sector in India

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade.

The Indian real estate market has become one of the most preferred destinations in the Asia Pacific as overseas funds accounted for more than 50 per cent of all investment activity in India.

The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

India's Tier-I cities moved up to the 36<sup>th</sup> rank in JLL's 2016 bi-annual Global Real Estate Transparency Index. The catalysis factors for this were improvements in structure reforms and the more liberalized foreign direct investment (FDI) regime. Increased transparency brings higher investments into such real estate markets.

### 2. Market Size

The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP).

In the period FY08-20, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Private Equity (PE) funds and Non-Banking Financial Companies (NBFCs) in India are seen increasingly investing jointly in real estate projects, in order to hedge risk and undertake bigger transactions.

### 3. Investments

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces.

Private equity activity looks healthy in 2017- thanks to a strengthening and modernizing economy, and the growing reputation of India as an attractive investment destination. India is ranked fourth in developing Asia for FDI inflows as per the world Investment Report 2016 released by UN Conference for Trade and Development. The Real Estate saw equity investment on a very visible return journey to India last Year. Indian Real Estate has attracted \$32 Billion in equity so far. The global capital flow into Indian Real Estate in 2016 stood at \$5.7 billion.

### 4. Government Initiatives

Thanks to change in its regulatory network, India is now way more attractive to both Global and Indian Investors. Increased consolidation and transparency, through RERA (Real Estate Regulation Act) and the launch of REIT, (Real Estate Investment Trusts) this year –will further whet their appetites for getting a piece of Indian real estate pie.

The Goods and Service Tax (GST) and Benami Property Act will also have a major impact on how many developers run their businesses. Demonetization shook up the older ways of working, but did not affect self-governing developers with the right products targeted at the working masses. The rest have realized it is time now to revamp their existing business models if they want to remain in business at all. Market watchers who had despaired of the Indian real estate market ever shedding its tainted image have every reason to perk up now.

### 5. Road Ahead

Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. Real estate developers, in meeting the growing need



for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

Affordable housing in India is finally set to get the much-coveted infrastructure status. One crore houses are to be built in rural India by 2019, and this vital segment will now see cheaper sources of finance. Re-financing of housing loans by National Housing Banks (NHBs) can give a further boost to the sector.

A new Credit linked subsidy scheme (CLSS) for the mid-income group with a provision of Rs.1,000 crore in 2017-18 was announced even before Budget 2017-18. Extension of tenure of loans under the CLSS of Pradhan Mantri Awas Yojana (PMAY) was increased from 15 to 20 years, and the Budget also increased allocation to PMAY from Rs.15,000 crore to Rs. 23,000 crore in the rural areas.

The qualifying criteria for affordable housing were also revised to 30 sq. m. and 60sq. m. on Carpet rather than saleable area in the four main metros and non- metros respectively. This effectively increases the size of affordable housing market across India. Moreover, the demonetization of high-value currency notes will cause land prices to ease in the next few years- especially in far-flung areas around Indian metros and the Tier-II and Tier-III cities. The government's dream of Housing for All by 2022 appears a lot more attainable now.

## 6. 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.

## 7. Financial and operational performance

During the year under review, the company recorded Revenues of Rs. 9.74 crores with profit after tax of Rs (2.03) crores. There is decline in the over all sales Revenues and profitability during the year. The financial projections of the company including its cash flows were majorly impacted because of delay in getting approvals for new projects of the company. Some of new projects could not be launched within the financial year which further resulted into fall in Revenues. But the company



MVL Limited

is sure that during the current financial year, with the launch of new projects, the top line and bottom line of the company will get improved.

**8. 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.

**9. 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.

**10. 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.

**11. 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**

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

**Place: New Delhi  
Date : 25<sup>th</sup> August, 2017**

**Registered Office:  
1201B, 12<sup>th</sup> Floor, Hemkunt Chamber,  
89 Nehru Place,  
New Delhi-110019  
Tel: +91-11-41662674  
E-mail: [coporates@yahoo.com](mailto:coporates@yahoo.com), [info@mvl.in](mailto:info@mvl.in)  
Website: [www.mvl.in](http://www.mvl.in)  
CIN: L45200DL2006PLC154848**



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MVL LTD

#### 1. Report on the Financial Statements

We have audited the accompanying financial statements of MVL Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### 2. Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 3. Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### 4. Basis for Qualified Opinion

Reference is invited to

- a) Note No. 39 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.47,41,40,387/- payable during the year on the said NPA Accounts : -





- Revenue from operation has been understated by Rs.28,68,10,889/- (previous year Rs. 18,99,09,679/-) arising out of percentage of completion (POC) method of accounting, due to non-capitalization of interest directly attributable to project work-in-progress.
  - Loss from operation has been understated by Rs. 18,73,29,498 (previous year Rs.21,97,75,894/-)
- b) Note No. 40 regarding non provision of advances to group companies considered doubtful of recovery and non provision of interest on one of the advance. The lonee companies do not have the capacity / net-worth to repay the principal / or the interest charged thereon.

#### 5. **Qualified Opinion**

In our opinion and to the best of our information and according to the explanation given to us, except for possible effects of the matters described in paragraph , 4 above - the basis of qualified opinion , the financial statements give a true and fair view :-

- a) In the case of the Balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2017;
- b) In the case of statement of Profit and Loss of the loss for the year ending on 31<sup>st</sup> March, 2017.
- c) In the case of the Cash Flow Statement, of the Cash flow for the year ending on 31<sup>st</sup> March, 2017.

#### 6. **Emphasis matters**

Attention is invited to:-

- a) *Note No. 49 of the accompanying financial statements there exists material uncertainty over the realisability 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. 1469.70 Lacs as on 31.3.2017, (previous year Rs. 6817.72 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.*
- b) Note No. 50 in respect of purchase of commercial space and included as part of inventory/ WIP of the value of Rs.9218.77 (previous year Rs. 3886.02 Lacs). In view of non- registration of title of the said property in the name of the company, we are unable to comment about the authenticity of the title of the said real estate properties.
- c) Note No. 37 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.

Our opinion is not qualified in respect of these matters.

#### 7. **Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditors report) Order, 2016 ("The Order") issued by the central government of India in terms of subsection 11 of section 143 of the Act, We give in the annexure 'A' statement on the matter specified in paragraphs 3 & 4 of the order.
- 2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



MVL Limited

- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and.
- g) With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.
  - 1) The company has disclosed the impact of pending litigation on its financial position in its financial statement.
  - 2) The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.
  - 4) The Company has provided requisite disclosures in Note No. 37 to Financial Statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

**For ARUN KISHORE & COMPANY  
CHARTERED ACCOUNTANTS  
( ICAI FRN : 001898 N)**

**Place : New Delhi  
Date : 8<sup>th</sup> June, 2017**

**Sd/-  
CA ARUN KISHORE  
PARTNER  
[Membership No. 10770]**

**Annexure 'A' to the Independent Auditors' Report****The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory requirements" section of our report of even date**

- (i) In Respect of its Fixed Assets:
  - a) The company is maintaining records showing particulars, including quantitative details and situation of fixed assets;
  - b) Major items of fixed assets were physically verified during the year by the management in accordance with a regular program of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification.
  - c) The title deeds of immovable properties are held in the name of the company.
- (ii) In Respect of its inventory:
  - a) The inventory includes land, material at site and project work in progress which is inclusive of other direct and indirect costs. As explained to us, inventories of building materials are physically verified by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management was reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories of building material. No material discrepancies were noticed on verification, between physical stocks and book records.
- (iii) In respect of unsecured loans, granted to the companies, firms or other parties covered in the registrar maintained u/s 189 of the Companies Act 2013 according to the explanation and information given to us;
  - a) The company has granted loans to their group companies, as at the year end, the outstanding balance of such loan was Rs.2726.34 Lacs and the maximum outstanding at any time during the year was Rs. 2726.34 Lacs. In our opinion loans to their group companies are prima facie prejudicial to the interest of the company.
  - b) No interest is charged on loan of Rs.64.50 Lacs to one of the group company.
  - c) Since the loan is repayable on demand and there is no stipulation for repayment, regularity of payments cannot be commented upon.
  - d) As per the information and explanation given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - e) Since the company has not taken any loans, secured or unsecured provisions of clause 4 (iii) (e), (f) & (g) of the company (Auditors Report) Order 2016 are not applicable.
- (iv) According to information and explanations given to us,
  - a) The provision of section 185 are not applicable, since the company has not advanced any loan to directors
  - b) Loan and advance / guarantee provided to related parties are detailed under note no. 46, are not in conformity with sub clause 5 of section 186 of Companies Act, 2013.
- (v) According to information and explanations given to us the company has not accepted any deposits during the year.
- (vi) According to the information and explanations given to us the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act'2013.
- (vii) (a) According to the information and explanations given to us undisputed amounts in respect of dues including provident fund, investor education and protection fund, employee state insurance , income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable which were outstanding as at 31st March 2017 for a period of more than 6 months from the date they became payable, are Rs. 312.85 Lacs (Previous year Rs. 260.04 Lacs) as the balance sheet date.

- (b) According to the information and explanations given to us following dues have not been admitted payable on account of disputes /appeals pending with appropriate authorities:-

| S. No. | Name of the statute | Period          | Amount under dispute (Rs. in Lacs) | Forum where dispute is pending |
|--------|---------------------|-----------------|------------------------------------|--------------------------------|
| 1.     | Income Tax          | A.Y. 2013-14    | 41.47 Lacs                         | CIT (Appeals) New Delhi        |
| 2.     | Income Tax          | A.Y. 2014-15    | 73.60 Lacs                         | CIT (Appeals) New Delhi        |
| 3.     | Service Tax         | Upto 31.03.2015 | 589.39 Lacs*                       | CSTAT, New Delhi               |
|        |                     | <b>Total</b>    | <b>704.46 Lacs</b>                 |                                |

\*The above figures are exclusive of interest if any payable thereon

- (c) Based on the information and explanations obtained, the company has no liability or requirement to transfer any amount to Investor Education & Protection Fund in accordance with the relevant provisions of the Act and the Rules there-under.
- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) We have not noticed or reported any fraud by the company or any fraud on the Company by its officers or employees during the year
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) As this is not a nidhi company, the provision in respect thereof are not applicable
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with;
- (xvi) This clause of the Caro 2016 is not applicable to the Company as the company is not a required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For ARUN KISHORE & COMPANY  
CHARTERED ACCOUNTANTS  
( ICAI FRN : 001898 N)**

**Place : New Delhi  
Date : 8<sup>th</sup> June, 2017**

**Sd/-  
CA ARUN KISHORE  
PARTNER  
[Membership No. 10770]**



MVL Limited

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MVL LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MVL Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



MVL Limited

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For ARUN KISHORE & COMPANY  
CHARTERED ACCOUNTANTS  
( ICAI FRN : 001898 N)**

**Place : New Delhi  
Date : 8<sup>th</sup> June, 2017**

**Sd/-  
CA ARUN KISHORE  
PARTNER  
[Membership No. 10770]**



MVL Limited

**Balance Sheet as at 31st March, 2017**

| PARTICULARS                            | NOTE NO'S     | AS AT 31 <sup>st</sup> Mar 2017<br>(Amount in Rs.) | AS AT 31 <sup>st</sup> Mar 2016<br>(Amount in Rs.) |
|--|---------------|--|--|
| <b>EQUITY AND LIABILITIES</b>          |               |  |  |
| <b>SHAREHOLDERS' FUNDS:</b>            |               |  |  |
| Share Capital                          | 2             | 601,243,200  | 601,243,200  |
| Reserves and Surplus                   | 3             | 1,036,402,274                                      | 1,056,716,532                                      |
|  |               | 1,637,645,474                                      | 1,657,959,732                                      |
| <b>NON-CURRENT LIABILITIES</b>         |               |  |  |
| Long-Term Borrowings                   | 4             | -  | -  |
| Deferred Tax Liabilities (Net)         |               | -  | -  |
| Other Long Term Liabilities            | 5             | 942,984,291  | 932,732,580  |
| Long-Term Provisions                   | 6             | 5,492,389  | 5,018,403  |
|  |               | 948,476,680  | 937,750,983  |
| <b>CURRENT LIABILITIES</b>             |               |  |  |
| Short Term Borrowings                  | 7             | 2,562,789,351                                      | 2,563,751,330                                      |
| Trade Payables                         | 8             | 116,010,121  | 87,151,540   |
| Other Current Liabilities              | 9             | 127,710,126  | 151,258,365  |
| Short-Term Provisions                  | 10            | 24,384,708   | 25,226,028   |
|  |               | 2,830,894,306                                      | 2,827,387,262                                      |
|  | <b>TOTAL:</b> | <b>5,417,016,459</b>                               | <b>5,423,097,977</b>                               |
| <b>ASSETS</b>                          |               |  |  |
| <b>NON-CURRENT ASSETS</b>              |               |  |  |
| Fixed Assets                           | 11            |  |  |
| Tangible Assets                        |               | 17,724,054   | 77,483,809   |
| Intangible Assets                      |               | 66,274   | 33,625   |
| Capital Work-in-Progress               |               | 11,256,959   | 8,548,004  |
|  |               | 29,047,287   | 86,065,438   |
| Non-Current Investments                | 12            | 10,264,580   | 10,805,172   |
| Deferred Tax Assets (Net)              |               | -  | -  |
| Long-Term Loans and Advances           | 13            | 154,635,189  | 686,940,168  |
| Other Non-Current Assets               | 14            | 147,454  | 681,903  |
|  |               | 165,047,223  | 698,427,243  |
| <b>CURRENT ASSETS</b>                  |               |  |  |
| Inventories                            | 15            | 1,957,083,817                                      | 1,416,068,312                                      |
| Trade Receivables                      | 16            | 2,835,095,356                                      | 2,814,774,225                                      |
| Cash and Cash Equivalents              | 17            | 69,326,903   | 71,425,268   |
| Short-Term Loans and Advances          | 18            | 361,415,874  | 336,337,491  |
| Other Current Assets                   |               | -  | -  |
|  |               | 5,222,921,949                                      | 4,638,605,296                                      |
|  | <b>TOTAL:</b> | <b>5,417,016,459</b>                               | <b>5,423,097,977</b>                               |
| <b>Significant Accounting Policies</b> | 1             |  |  |
| <b>Other Notes</b>                     | 2 to 50       |  |  |

The notes referred to above from an integral part of the Financial Statements.

This is the Balance sheet referred to in our report of even date

**FOR ARUN KISHORE & COMPANY**

Chartered Accountants  
(ICAI FRN No. : 001898N)

**For and on behalf of the Board of Directors**

**Sd/-**  
**CA Arun Kishore**  
Partner  
Membership No.10770  
Place : New Delhi  
Date : 8<sup>th</sup> June, 2017

**Sd/-**  
**(Prem Adip Rishi)**  
Managing Director  
DIN : 00020611

**Sd/-**  
**(Rakesh Gupta)**  
Director & Chief Financial Officer  
DIN : 00020638

**Sd/-**  
**(Monika Agarwal)**  
Company Secretary  
M.NO. : 31258



MVL Limited

**Statement of Profit & Loss for the year ending on 31st March, 2017**

| PARTICULARS   | NOTE NO'S | FOR THE YEAR ENDED 31ST MARCH 2017<br>(Amount in Rs.) | FOR THE YEAR ENDED 31ST MARCH 2016<br>(Amount in Rs.) |
|---|-----------|---|---|
| <b>INCOME</b>   |           |   |   |
| Revenue from operations   | 19        | 48,597,131  | 130,082,322   |
| Other Income  | 20        | 48,828,976  | 32,606,464  |
| <b>TOTAL</b>  |           | <b>97,426,107</b>                                     | <b>162,688,786</b>                                    |
| <b>EXPENSES</b>   |           |   |   |
| Cost of Construction / Development                                    | 21        | 40,791,470  | 112,392,911   |
| Purchase of Stock in Trade  |           | 533,274,766   | 388,602,392   |
| Increase/(Decrease) in Stock  | 22        | (541,015,505)   | (422,801,829)   |
| Employees Benefits Expenses   | 23        | 37,111,644  | 48,459,476  |
| Finance Cost  | 24        | 965,147   | 516,934   |
| Depreciation and amortization   | 11        | 4,766,415   | 6,783,938   |
| Other Expenses  | 25        | 41,846,427  | 74,467,181  |
| <b>TOTAL</b>  |           | <b>117,740,364</b>                                    | <b>208,421,003</b>                                    |
| <b>Profit/(Loss) from Ordinary activities before Exceptional Item</b> |           | <b>(20,314,258)</b>                                   | <b>(45,732,216)</b>                                   |
| Exceptional Items Dr/(Cr)   |           | -   | -   |
| <b>Profit/(Loss) from Ordinary activities before Tax</b>              |           | <b>(20,314,258)</b>                                   | <b>(45,732,216)</b>                                   |
| Tax Expenses  |           |   |   |
| Current Tax   |           | -   | -   |
| Deferred Tax  |           | -   | (1,082,615)   |
| <b>Profit/(Loss) from Ordinary activities after Tax</b>               |           | <b>(20,314,258)</b>                                   | <b>(44,649,601)</b>                                   |
| Write back of Excess Provisions                                       |           | -   | (2,139,000)   |
| <b>Net Profit for the Period from Ordinary activities after Tax</b>   |           | <b>(20,314,258)</b>                                   | <b>(42,510,601)</b>                                   |
| Extra Ordinary Items (Net of Tax)                                     |           | -   | -   |
| <b>Net Profit for the Period</b>                                      |           | <b>(20,314,258)</b>                                   | <b>(42,510,601)</b>                                   |
| Earning per equity share (Nominal value of shares Rs. 1/- each)       |           |   |   |
| Basic (in Rs.)  |           | (0.03)  | (0.07)  |
| Diluted (in Rs.)  |           | (0.03)  | (0.07)  |
| <b>Significant Accounting Policies</b>                                | 1         |   |   |
| <b>Other Notes</b>  | 2 to 50   |   |   |

The notes referred to above form an integral part of the Financial Statements.

This is the Statement Profit & Loss referred to in our report of even date

**FOR ARUN KISHORE & COMPANY**

Chartered Accountants  
(ICAI FRN No. : 001898N)

**For and on behalf of the Board of Directors**

Sd/-  
**CA Arun Kishore**  
Partner  
Membership No.10770  
Place : New Delhi  
Date : 8<sup>th</sup> June, 2017

Sd/-  
**(Prem Adip Rishi)**  
Managing Director  
DIN : 00020611

Sd/-  
**(Rakesh Gupta)**  
Director & Chief Financial Officer  
DIN : 00020638

Sd/-  
**(Monika Agarwal)**  
Company Secretary  
M.NO. : 31258





MVL Limited

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

| S. No. | PARTICULARS   | FOR THE YEAR<br>ENDED 31.03.2017<br>(RS. IN LACS) | FOR THE YEAR<br>ENDED 31.03.2016<br>(RS. IN LACS) |
|--------|---|---|---|
| A.     | <b>Cash flow from Operating activities</b>                                  |   |   |
|        | Net profit before taxation & extraordinary items                            | (203.14)  | (457.32)  |
|        | <b>Non-cash adjustment to reconcile profit before tax to net cash flows</b> |   |   |
|        | Depreciation and Amortisation   | 47.66   | 67.84   |
|        | Revenue Exp./other claims written off                                       | (90.88)   | (0.04)  |
|        | Profit/(Loss) on sale of Fixed Assets                                       | 194.01  | 10.18   |
|        | Profit/(Loss) on sale of Shares   | -   | 1.65  |
|        | Interest expense  | 8.92  | 3.13  |
|        | Lease rent / hire purchase expense  | 0.74  | 2.04  |
|        | Interest income   | (294.28)  | (323.98)  |
|        | Other misc income   | -   | (2.08)  |
|        | <b>Operating Profit before working capital changes</b>                      | <b>(725.00)</b>                                   | <b>(698.58)</b>                                   |
|        | <b>Movement in working capital</b>  |   |   |
|        | Increase/(Decrease) in Trade Payables                                       | 379.47  | (464.92)  |
|        | Increase/(Decrease) in Long Term Liabilities & Provisions                   | 107.26  | 2,300.99  |
|        | (Increase)/Decrease in Other current liabilities and short term Provisions  | (243.90)  | 374.08  |
|        | Increase/(Decrease) in Trade Receivable                                     | (203.21)  | (531.68)  |
|        | (Increase)/Decrease in Inventories  | (5,410.16)  | (4,228.02)  |
|        | (Increase)/Decrease in Long Term Loan and Advances                          | 5,370.15  | 3,519.10  |
|        | (Increase)/Decrease in Short Term Loan and Advances                         | (250.78)  | (574.61)  |
|        | Increase/(Decrease) in Other Non Current Assets                             | 5.34  | (1.54)  |
|        | <b>Cash generated from / (used in) operations</b>                           | <b>(970.82)</b>                                   | <b>(305.18)</b>                                   |
|        | Direct Taxes paid (net of refunds)  | -   | -   |
|        | Cash Flow before extraordinary items  | (970.82)  | (305.18)  |
|        | Extraordinary items - write back  | -   | 26.27   |
|        | <b>Net cash flow from / (used in) Operative Activities (A)</b>              | <b>(970.82)</b>                                   | <b>(278.91)</b>                                   |
| B.     | <b>Cash Flow from investing activities.</b>                                 |   |   |
|        | Purchase of Fixed Assets  | (28.50)   | (35.00)   |
|        | Sale of Non-Current Investments   | 5.41  | 72.98   |
|        | Proceeds from Sale of Fixed Assets  | 745.02  | 5.00  |
|        | Other Income  | 294.28  | 323.98  |
|        | Other misc income   | -   | 2.08  |
|        | <b>Net cash flow from / (used in) Investing Activities (B)</b>              | <b>1,016.21</b>                                   | <b>369.04</b>                                     |
| C.     | <b>Cash Flow from Financing Activities</b>                                  |   |   |
|        | Interest expense  | (8.92)  | (3.13)  |
|        | Lease rent / hire purchase expense  | (0.74)  | (2.04)  |
|        | Increase / (Decrease) in Long Term Borrowing                                | -   | (4,684.78)  |
|        | Increase / (Decrease) in Short Term Borrowing                               | (9.62)  | 4,641.79  |
|        | <b>Net cash flow from / (used in) Finance Activities (C)</b>                | <b>(19.27)</b>                                    | <b>(48.16)</b>                                    |
|        | Net increase/(decrease) in cash and cash equivalents (A+B+C)                | 26.12   | 41.98   |
|        | Cash and Bank Equivalent at the beginning of the year                       | 84.99   | 43.01   |
|        | Cash and Bank Equivalent at the end of the year                             | 111.11  | 84.99   |
|        | <b>Components of Cash and Cash Equivalents</b>                              |   |   |
|        | <b>Cash in Hand</b>   | 2.68  | 13.77   |
|        | <b>In Current Accounts</b>  | 108.43  | 71.22   |
|        |   | <b>111.11</b>                                     | <b>84.99</b>                                      |

This is the Cash Flow Statement referred to in our report of even date

**FOR ARUN KISHORE & COMPANY**

Chartered Accountants  
(ICAI FRN No. : 001898N)

**For and on behalf of the Board of Directors**

Sd/-  
CA Arun Kishore  
Partner  
Membership No.10770  
Place : New Delhi  
Date : 8<sup>th</sup> June, 2017

Sd/-  
(Prem Adip Rishi)  
Managing Director  
DIN : 00020611

Sd/-  
(Rakesh Gupta)  
Director & Chief Financial Officer  
DIN : 00020638

Sd/-  
(Monika Agarwal)  
Company Secretary  
M.NO. : 31258

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017****NOTE NO. 1****Significant Accounting Policies****a) Corporate Information**

MVL Ltd. (hereinafter referred to as the "Company") is a Company domiciled in India and incorporated under the provisions of the Companies Act 1956 read with companies Act 2013 (The Act). The Company is engaged in the business of Real estate builders & developers.

**b) Basis of Accounting**

The financial statements of the company are prepared and presented under the historical cost convention and comply in all material respects with applicable accounting standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, All incomes & expenditure are accounted for on accrual method of accounting unless otherwise stated hereafter. Accounting policies not specifically referred to are consistent with Generally Accepted Accounting Principles. Material events occurring after balance sheet date have been taken into cognizance.

**c) Use of Estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Actual results could differ from those estimates and any revision is recognized in the current and future years.

**d) Revenue Recognition****Real Estate Projects**

i. Revenue from Real Estate Projects is recognized in accordance with the provisions of Accounting Standard (AS) 9 on Revenue Recognition, read with Guidance Note on "Recognition of Revenue by Real Estate Developers". As per this Guidance Note, the revenue is recognized on percentage of completion method provided following conditions are met at the reporting date.

- at least 25% of estimated construction and development costs (excluding land cost) has been incurred;
- at least 25% of the saleable project area is secured by the Agreements to sell/application forms (containing salient terms of the agreement to sell); and
- at least 10% of the total revenue as per agreement to sell are realized in respect of these agreements.

ii. The estimates of the projected revenues, saleable area and projected costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period, such changes are determined.

iii. Where aggregate of the payments received provide insufficient evidence of Buyers commitment to make the complete payment, revenue is recognized only to the extent of realization.

iv. While all incomes and expenses are accounted for on accrual basis, Interest on delayed payments by customers against dues is taken on realization, owing to uncertainties involved.

**e) Cost of construction / Development**

Accumulated project cost i.e. cost of construction / development comprises of: -

- i) Expenses directly related to the project.
- ii) Finance Cost including interest and charges incurred up to the completion of the project are considered as attributable cost to the project and included under accumulated Project cost.
- iii) Project costs in relation to a project, ordinarily comprise of :-
  - **Cost of land and cost of development rights:** All costs related to the acquisition of land, development rights, rehabilitation costs, registration charges, stamp duty, brokerage costs, statutory dues paid to sanctioning authorities and other incidental expenses.
  - **Construction and development costs:** This includes cost that relate directly to the specific project and costs that may be attributable to project activity in general and can be allocated to the project.
  - **Borrowing Costs: (In accordance with Accounting Standard (AS 16))**
- i) Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets for the year up to the completion/installation or construction of such asset respectively are capitalized as part of the cost of such asset.
- ii) Borrowing costs directly attributable to projects under taken by the company are charged to each such project on year to year basis and is treated as cost of the project.
- iii) All other borrowing costs are charged to revenue in the year in which they are incurred.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017****f) Inventory**

Inventory comprises of :-

- i) Work-in-progress including land, projects completed or under development ,
- ii) Stock of building material and real estate trading,
- iii) Completed units remaining unsold,
- iv) Rights in identified properties covered by Builder Buyer Agreements are valued at cost or market value whichever is lower.

**g) Trade Receivables represents**

- Receivables due as per Builder Buyer Agreements net of amounts received.
- Unbilled receivables against revenue recognized on "percentage of completion method"

**h) Fixed Assets**

Fixed Assets are stated at cost, net of accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

**i) Depreciation**

- i) Depreciation on tangible and intangible assets is provided on the Useful life method as specified under Schedule II of the Companies Act 2013. Depreciation on additions/ deletions to/from fixed assets is provided on pro-rata basis from the date the asset is put to use /discarded.
- ii) Management has estimated the useful life of the assets as under:-

|                           |          |
|---------------------------|----------|
| Buildings (RCC Structure) | 60 years |
| Furniture & Fixture       | 10 years |
| Office equipment          | 5 years  |
| Computer equipment        | 3 years  |
| Vehicles                  | 10 years |
| Computer Server           | 6 years  |

**j) Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**k) Investments**

Investments are all long term, which are stated at cost. Provision for diminution in value thereof, other than temporary in nature, is accounted for.

**l) Taxation****i) Current Tax**

Provision for Income Tax is based on assessable profits of the company as computed in accordance with the relevant provision of the Income Tax Act, 1961 for the year ending 31<sup>st</sup> March 2017.

**iii) Deferred Tax**

Deferred Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognized only when there is a virtual certainty of their realization and on other items when there is reasonable certainty of realization. The tax effect is calculated on the accumulated timing differences at the yearend based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

**m) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent Liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in recognition of income that may not be realized in the near future.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO. | PARTICULARS  | AS AT<br>31 <sup>st</sup> March 2017<br>(Rs.) | AS AT<br>31 <sup>st</sup> March 2016<br>(Rs.) |
|----------|--|---|---|
| 2        | <b>SHARE CAPITAL</b>   |   |   |
|          | <b>Authorised</b><br>73,00,00,000 Equity shares of Re.1/- each   | <b>730,000,000</b>                            | <b>730,000,000</b>                            |
|          | <b>ISSUED,SUBSCRIBED &amp; PAID-UP CAPITAL</b><br>60,12,43,200 Equity Shares of Re.1/- each fully paid up.   | <u>601,243,200</u><br><b>601,243,200</b>      | <u>601,243,200</u><br><b>601,243,200</b>      |
|          | (a) There is no variation or change in the issued, subscribed and fully paid-up capital structure during the year. Therefore, no separate disclosure of reconciliation of the number of equity share outstanding as at the beginning and at the end of the year is required. |   |   |
|          | (b) Shareholders Holding more than 5% shares based on legal ownership in the subscribed share capital of the company is set out below:   |   |   |

| Name of the shareholder                  | As at 31 <sup>st</sup> March 2017 |        | As at 31 <sup>st</sup> March 2016 |        |
|--|-----------------------------------|--------|-----------------------------------|--------|
|  | No.of Share                       | % held | No.of Share                       | % held |
| 1 Media Magnetic Cassettes Limited       | 60,340,934                        | 10.04  | 60,340,934                        | 10.04  |
| 2 Risbro Technicals Equipments Pvt. Ltd. | 46,197,954                        | 7.68   | 46,197,954                        | 7.68   |
| 3 MVL Credits Holdings & Leasing Limited | 127,802,445                       | 21.26  | 127,802,445                       | 21.26  |

|  |  |                             |                             |                    |
|--|--|-----------------------------|-----------------------------|--------------------|
| 3  | <b>RESERVES &amp; SURPLUS:-</b>                                      |                             |                             |                    |
|  | (a) General Reserve  |                             |                             |                    |
|  | Opening Balances   | 112,719,957                 |                             | 112,719,957        |
|  | Add : Provided during the year                                       | -                           |                             | -                  |
|  |  | <u>112,719,957</u>          |                             | <u>112,719,957</u> |
|  | (b) Capital Reserve  |                             | 109,016,486                 | 109,016,486        |
|  | (c) Share Premium  |                             | 130,265,776                 | 130,265,776        |
|  | (d) Surplus/(Deficit) in the Statement of Profit and Loss            |                             |                             |                    |
|  | Opening Balance  |                             | 704,714,313                 | 747,224,914        |
|  | Add : Profit / (Loss) for the Year                                   |                             | (20,314,258)                | (42,510,601)       |
| Less : Transfer to General Reserve                                 |  | -                           | -                           |                    |
| Closing Balance  |  | <u>684,400,055</u>          | <u>704,714,313</u>          |                    |
|  |  | <b><u>1,036,402,274</u></b> | <b><u>1,056,716,532</u></b> |                    |
| 4  | <b>LONG-TERM BORROWINGS</b>  |                             |                             |                    |
|  | <b>Term Loans - Secured</b>  |                             |                             |                    |
|  | Canara Bank  |                             | 774,946,344                 | 774,946,344        |
|  | (Repayable in 4 Quarterly installments starting from December 2014.) |                             |                             |                    |
|  | UCO Bank   |                             | 446,170,718                 | 446,170,718        |
|  | (Repayable in 8 Quarterly installments starting from December 2013.) |                             |                             |                    |
|  | Dena Bank  |                             | 259,974,516                 | 259,974,516        |
| (Repayable in 8 Quarterly installments starting from August 2012.) |  |                             |                             |                    |
| Sicom Limited  |  | 431,067,696                 | 431,067,696                 |                    |
| (Repayable in 54 Monthly installments starting from October 2014.) |  |                             |                             |                    |



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO.  | PARTICULARS   | AS AT 31/03/2017 (Rs.) | AS AT 31/03/2016 (Rs.) |
|-----------|---|------------------------|------------------------|
|           | IFCI Factors Limited<br>(Repayable in 36 Monthly installments starting from October 2014)           | 161,814,789            | 161,914,789            |
|           | IFCI Limited<br>(Assigned to CFM-ARC on 18.04.2017 refer Note No. 42 (a) (iii))                     | 488,564,583            | 488,564,583            |
|           | Interest Payable<br>From Others<br>[Secured against hypothecation of vehicles]                      | -<br>250,705           | -<br>1,112,684         |
|           |   | <u>2,562,789,351</u>   | <u>2,563,751,330</u>   |
|           | Less : Current maturities of Long Term Borrowings included under Note No. 7 "Short Term Borrowings" | <u>2,562,789,351</u>   | <u>2,563,751,330</u>   |
|           |   | <u>-</u>               | <u>-</u>               |
| <b>5</b>  | <b>OTHER LONG-TERM LIABILITIES</b>  |                        |                        |
|           | Security Received   | 865,064                | 6,107,866              |
|           | Advances Received from Customers  | 942,119,227            | 926,624,714            |
|           |   | <u>942,984,291</u>     | <u>932,732,580</u>     |
| <b>6</b>  | <b>LONG-TERM PROVISIONS</b>   |                        |                        |
|           | Provision for Gratuity  | 5,492,389              | 5,018,403              |
|           |   | <u>5,492,389</u>       | <u>5,018,403</u>       |
| <b>7</b>  | <b>SHORT TERM BORROWINGS</b>  |                        |                        |
|           | Current Maturities of Long Term Borrowings (Refer Note 4)   | 2,562,789,351          | 2,563,751,330          |
|           |   | <u>2,562,789,351</u>   | <u>2,563,751,330</u>   |
| <b>8</b>  | <b>TRADE PAYABLES</b>   |                        |                        |
|           | For Construction & Purchase   | 116,010,121            | 87,151,540             |
|           |   | <u>116,010,121</u>     | <u>87,151,540</u>      |
| <b>9</b>  | <b>OTHER CURRENT LIABILITIES</b>  |                        |                        |
|           | Duties & Taxes Payable  | 5,020,325              | 21,398,167             |
|           | Expenses & Others   | 122,489,774            | 129,540,750            |
|           | Unclaimed Dividend  | 200,027                | 319,447                |
|           |   | <u>127,710,126</u>     | <u>151,258,365</u>     |
| <b>10</b> | <b>SHORT-TERM PROVISIONS</b>  |                        |                        |
|           | Provision for Tax   | 19,040,769             | 19,040,769             |
|           | Provision for Bonus   | 2,654,041              | 2,727,542              |
|           | Provision for LTA   | 578,006                | 1,240,692              |
|           | Provision for Leave Encashment  | 2,111,892              | 2,217,025              |
|           |   | <u>24,384,708</u>      | <u>25,226,028</u>      |



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

Note - 11

| Particulars                         | Gross Block           |                  |                   |                       | Depreciation          |                  |                               |                       | Net Block         |                   |
|-------------------------------------|-----------------------|------------------|-------------------|-----------------------|-----------------------|------------------|-------------------------------|-----------------------|-------------------|-------------------|
|                                     | Cost as on 01-04-2016 | Additions        | Deletion/ Sale    | Cost as on 31-03-2017 | Total upto 01-04-2016 | Current Year     | Adjustment for deletion/ Sale | Total upto 31-03-2017 | As at 31-03-2017  | As at 31-03-2016  |
| <b>(A) Tangible Assets :</b>        |                       |                  |                   |                       |                       |                  |                               |                       |                   |                   |
| LAND                                | 38,353,400            | -                | 38,353,400        | -                     | -                     | -                | -                             | -                     | -                 | 38,353,400        |
| OFFICE BUILDING                     | 21,512,487            | -                | 21,512,487        | -                     | 4,629,380             | 135,232          | 4,764,612                     | -                     | -                 | 16,883,107        |
| VEHICLE                             | 23,916,441            | -                | -                 | 23,916,441            | 12,590,896            | 2,096,441        | -                             | 14,687,337            | 9,229,104         | 11,325,545        |
| PLANT & MACHINERY                   | 3,050,000             | -                | -                 | 3,050,000             | 289,750               | 289,750          | -                             | 579,500               | 2,470,500         | 2,760,250         |
| OFFICE EQUIPMENT                    | 9,046,197             | -                | -                 | 9,046,197             | 6,356,143             | 1,107,333        | -                             | 7,463,476             | 1,582,721         | 2,690,054         |
| COMPUTER                            | 5,144,948             | 87,784           | -                 | 5,232,732             | 4,887,701             | 27,798           | -                             | 4,915,499             | 317,233           | 257,247           |
| COMPUTER SERVER                     | 398,092               | -                | -                 | 398,092               | 228,861               | 49,775           | -                             | 278,636               | 119,456           | 169,231           |
| FURNITURE & FIXTURE                 | 8,426,934             | -                | -                 | 8,426,934             | 3,381,959             | 1,039,935        | -                             | 4,421,894             | 4,005,040         | 5,044,975         |
| <b>TOTAL (A)</b>                    | <b>109,848,499</b>    | <b>87,784</b>    | <b>59,865,887</b> | <b>50,070,396</b>     | <b>32,364,690</b>     | <b>4,746,264</b> | <b>4,764,612</b>              | <b>32,346,342</b>     | <b>17,724,054</b> | <b>77,483,809</b> |
| <b>(B) INTANGIBLE ASSETS</b>        |                       |                  |                   |                       |                       |                  |                               |                       |                   |                   |
| COMPUTER SOFTWARE                   | 234,000               | 52,800           | -                 | 286,800               | 200,375               | 20,151           | -                             | 220,526               | 66,274            | 33,625            |
| <b>TOTAL (B)</b>                    | <b>234,000</b>        | <b>52,800</b>    | <b>-</b>          | <b>286,800</b>        | <b>200,375</b>        | <b>20,151</b>    | <b>-</b>                      | <b>220,526</b>        | <b>66,274</b>     | <b>33,625</b>     |
| <b>(C) CAPITAL WORK IN PROGRESS</b> |                       |                  |                   |                       |                       |                  |                               |                       |                   |                   |
| ASSETS UNDER INSTALLATION           | 8,548,004             | 2,708,955        | -                 | 11,256,959            | -                     | -                | -                             | -                     | 11,256,959        | 8,548,004         |
| <b>TOTAL (C)</b>                    | <b>8,548,004</b>      | <b>2,708,955</b> | <b>-</b>          | <b>11,256,959</b>     | <b>-</b>              | <b>-</b>         | <b>-</b>                      | <b>-</b>              | <b>11,256,959</b> | <b>8,548,004</b>  |
| <b>TOTAL (A)+(B)+(C)</b>            | <b>118,630,503</b>    | <b>2,849,539</b> | <b>59,865,887</b> | <b>61,614,155</b>     | <b>32,565,065</b>     | <b>4,766,415</b> | <b>4,764,612</b>              | <b>32,566,868</b>     | <b>29,047,287</b> | <b>86,065,438</b> |
| Previous Year                       | 118,037,607           | 3,500,453        | 2,907,557         | 118,630,503           | 26,522,047            | 6,783,938        | 740,920                       | 32,565,065            | 86,065,438        | 91,515,560        |

| NOTE NO.  | PARTICULARS   | AS AT 31/03/2017 (Rs.) | AS AT 31/03/2016 (Rs.) |
|-----------|---|------------------------|------------------------|
| <b>12</b> | <b>NON-CURRENT INVESTMENTS</b>                      |                        |                        |
|           | <b>Equity Shares (Long Term) (Unquoted at cost)</b> |                        |                        |
|           | <b>Investment in Subsidiaries</b>                   |                        |                        |
|           | MVL Developers Limited                              |                        |                        |
|           | 100000 Equity shares of Rs. 10/- each               | 1,000,000              | 1,000,000              |
|           | Creative Pool Developers Private Limited            |                        |                        |
|           | 10000 Equity shares of Rs. 10/- each                | 100,000                | 100,000                |
|           | Udyan Horticultures Private Limited                 |                        |                        |
|           | 10000 Equity shares of Rs. 10/- each                | 100,000                | 100,000                |
|           | <b>Investment in Other than Subsidiaries</b>        |                        |                        |
|           | MVL Constructions Limited                           |                        |                        |
|           | 9994 Equity shares of Rs. 10/- each                 | 99,940                 | 99,940                 |
|           | MVL Solar Power Limited                             |                        |                        |
|           | 9700 Equity Shares of Rs. 10/- each                 | 97,000                 | 97,000                 |
|           | MVL Telecom Limited                                 |                        |                        |
|           | 6000000 Equity Shares of Rs. 10/- each              | 600,000                | 600,000                |
|           | Shri Tirupati Balaji Electronics Private Limited    |                        |                        |
|           | 571890 Equity Shares of Rs. 10/- each               | 5,718,900              | 5,718,900              |
|           | <b>Others</b>                                       |                        |                        |
|           | Investment - Precious Metals                        | 2,548,740              | 3,089,332              |
|           |   | <b>10,264,580</b>      | <b>10,805,172</b>      |



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO.  | PARTICULARS   | AS AT<br>31/03/2017<br>(Rs.) | AS AT<br>31/03/2016<br>(Rs.) |
|-----------|---|------------------------------|------------------------------|
| <b>13</b> | <b>LONG-TERM LOANS AND ADVANCES</b>   |                              |                              |
|           | Security Deposits   | 1,736,706                    | 2,494,681                    |
|           | Prepaid Expenses  | 1,227,763                    | 1,926,044                    |
|           | Advance Income Tax  | 3,904,517                    | 1,683,592                    |
|           | Advances for Projects (Land)  | 146,970,000                  | 679,775,117                  |
|           | Advances to Contractors & Suppliers   | 796,203                      | 1,060,734                    |
|           |   | <b>154,635,189</b>           | <b>686,940,168</b>           |
| <b>14</b> | <b>OTHER NON-CURRENT ASSETS</b>   |                              |                              |
|           | Interst accrued   | 147,454                      | 681,903                      |
|           |   | <b>147,454</b>               | <b>681,903</b>               |
| <b>15</b> | <b>INVENTORIES</b>  |                              |                              |
|           | Trading Real Estate Project   | 921,877,158                  | 388,602,392                  |
|           | Project Work in Progress (At Cost)  | 1,035,206,659                | 1,027,465,920                |
|           |   | <b>1,957,083,817</b>         | <b>1,416,068,312</b>         |
| <b>16</b> | <b>TRADE RECEIVABLES</b><br>(Unsecured, Considered good unless otherwise specified)             |                              |                              |
|           | Billed Receivables  |                              |                              |
|           | - Due for over six months   | 64,715,525                   | 65,835,390                   |
|           | - Due for less than six months  | -                            | 2,603,969                    |
|           | Unbilled Receivables (Refer Note No. 41)  | 2,770,379,831                | 2,746,334,866                |
|           |   | <b>2,835,095,356</b>         | <b>2,814,774,225</b>         |
| <b>17</b> | <b>CASH AND CASH EQUIVALENTS</b>  |                              |                              |
|           | Cash in Hand and on Imprest   | 268,172                      | 1,376,757                    |
|           | Balance with Scheduled Bank (in Current A/c)  | 10,842,805                   | 7,122,200                    |
|           | FDR's/ Margin Money with Scheduled Banks (Pledged)  | 58,215,926                   | 62,926,311                   |
|           |   | <b>69,326,903</b>            | <b>71,425,268</b>            |
| <b>18</b> | <b>SHORT-TERM LOANS AND ADVANCES</b><br>(Unsecured, Considered good unless otherwise specified) |                              |                              |
|           | Advance to Contractors & Suppliers  | 3,445,007                    | 10,255,517                   |
|           | Other Advances  | 309,789,821                  | 323,933,792                  |
|           | Other Advnaces recoverable in cash or in kind of for value to be received                       | 48,181,046                   | 2,148,182                    |
|           |   | <b>361,415,874</b>           | <b>336,337,491</b>           |



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO.   | PARTICULARS                                | For the year ended<br>31st March 2017<br>(Rs.) | For the year ended<br>31st March 2016<br>(Rs.) |
|------------|--|--|--|
| <b>19</b>  | <b>REVENUE FROM OPERATIONS</b>             |  |  |
|            | Sale of Projects                           | 48,597,131                                     | 130,082,322                                    |
|            |  | <b>48,597,131</b>                              | <b>130,082,322</b>                             |
| <b>20</b>  | <b>OTHER INCOME</b>                        |  |  |
|            | Interest from Customers                    | 25,618,232                                     | 28,378,796                                     |
|            | Interest from Bank FDR                     | 3,810,019                                      | 4,019,432                                      |
|            | Profit on Sale of Fixed Assets             | -  | 208,236  |
|            | Misc. Income                               | 19,400,725                                     | -  |
|            |  | <b>48,828,976</b>                              | <b>32,606,464</b>                              |
| <b>21</b>  | <b>COST OF CONSTRUCTIONS / DEVELOPMENT</b> |  |  |
|            | Construction and Land & Development Costs  | 24,686,509                                     | 49,292,484                                     |
|            | Other Indirect Costs                       | 16,104,961                                     | 63,100,427                                     |
|            | Total cost upto 31.03.2017                 | <b>40,791,470</b>                              | <b>112,392,911</b>                             |
| <b>22</b>  | <b>INCREASE/(DECREASE) IN STOCKS</b>       |  |  |
|            | Opening Stocks                             | 1,416,068,312                                  | 993,266,483                                    |
|            | Closing Stocks                             | 1,957,083,817                                  | 1,416,068,312                                  |
|            |  | <b>(541,015,505)</b>                           | <b>(422,801,829)</b>                           |
| <b>23.</b> | <b>EMPLOYEE BENEFITS EXPENSES</b>          |  |  |
|            | Salary, Allowances & Welfare               | 34,512,294                                     | 45,477,495                                     |
|            | Bonus                                      | 1,128,152                                      | 1,400,117                                      |
|            | Contributions to Provident Fund & ESI      | 1,471,198                                      | 1,581,864                                      |
|            |  | <b>37,111,644</b>                              | <b>48,459,476</b>                              |
| <b>24</b>  | <b>FINANCE COSTS</b>                       |  |  |
|            | Bank Charges                               | 360,884  | 312,687  |
|            | Interest                                   | 530,714  | -  |
|            | Hire Purchases Charges                     | 73,549   | 204,247  |
|            |  | <b>965,147</b>                                 | <b>516,934</b>                                 |
| <b>25</b>  | <b>OTHER EXPENSES</b>                      |  |  |
|            | Advertisement                              | 429,242  | 1,252,148                                      |
|            | Auditors Remuneration                      | 661,252  | 658,375  |
|            | Balances Written off                       | (9,088,397)                                    | (3,856)  |
|            | Books & Periodicals                        | 837,122  | 1,348,480                                      |
|            | Business Promotion                         | 4,506,060                                      | 4,575,888                                      |
|            | Conveyance Expenses                        | 2,624,020                                      | 3,788,879                                      |
|            | Commission & Brokrag                       | 2,230,448                                      | 1,431,020                                      |
|            | Diwali Expenses                            | 201,568  | 281,260  |
|            | Electricity Expenses                       | 1,181,271                                      | 2,222,378                                      |
|            | Water Expenses                             | 171,362  | -  |
|            | Insurance                                  | 235,438  | 194,010  |
|            | Legal & Professional Charges               | 8,805,437                                      | 16,287,108                                     |
|            | Loss on Sale of Fixed Assets               | -  | 1,018,187                                      |
|            | Loss on Sale of Shares                     | -  | 165,000  |
|            | Meeting Expenses                           | 86,275   | 100,000  |
|            | Misc. Expenses                             | 45,856   | 57,103   |
|            | Membership Fee                             | 305,276  | 315,378  |
|            | Office Expenses                            | 6,011,756                                      | 6,638,866                                      |
|            | Postage & Telegram                         | 106,066  | 233,846  |
|            | Printing & Stationery                      | 311,498  | 751,267  |
|            | Rate, Fee & Taxes                          | 2,562,308                                      | 1,404,677                                      |
|            | Rent                                       | 14,870,472                                     | 24,870,204                                     |
|            | Repair & Maintenance                       | 2,227,153                                      | 1,874,914                                      |
|            | Telephone Exp.                             | 1,592,084                                      | 2,425,473                                      |
|            | Travelling Expenses (Director)             | 1,587,840                                      | 1,213,035                                      |
|            | Travelling Expenses (Others)               | 1,071,368                                      | 941,778  |
|            | Watch & Ward                               | 703,458  | 825,768  |
|            | Prior Period Expenses (Net)                | (2,429,805)                                    | (404,005)                                      |
|            |  | <b>41,846,427</b>                              | <b>74,467,181</b>                              |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

### 26. Retirement Benefits

- Contributions payable by the Company to the concerned Government Authorities in respect of Provident Fund, Family Pension fund and Employee State Insurance are charged to the statement of profit and loss.
- Provisions for gratuity and Leave Encashment are made on actuarial valuation, as per Accounting Standard (AS)-15.

#### Defined Benefit Plans

In respect of Gratuity and Leave encashment as carried out by an independent actuary as at 31<sup>st</sup> March 2017 are as under:-

| S. No.   | Particulars   | Current Year |                  | Last Year   |                  |
|--|---|--------------|------------------|-------------|------------------|
|  |   | Gratuity     | Leave Encashment | Gratuity    | Leave Encashment |
| <b>I Expenses recognized in the statement of Profit and Loss account</b> |   |              |                  |             |                  |
| 1  | Current service cost  | 8,10,813     | 5,62,445         | 8,29,783    | 7,99,859         |
| 2  | Interest cost   | 3,57,812     | 1,58,074         | 4,19,970    | 2,19,946         |
| 3  | Net Actuarial (gain)/losses recognized                          | (2,15,628)   | 1,71,112         | (6,11,525)  | (6,25,833)       |
| 4  | Past service cost   | -            | -                | -           | -                |
| 5  | Settlement cost   | -            | -                | -           | -                |
| 6  | Expenses recognized in the statement of profit and loss account | 9,52,997     | 8,91,631         | 6,38,228    | 3,93,972         |
| <b>II Net Assets/(Liability) recognized in the Balance sheet</b>         |   |              |                  |             |                  |
| 1  | Present value of obligation as at the end of the year           | 54,92,389    | 21,11,892        | 50,18,403   | 22,17,025        |
| 2  | Fair value of Plan assets as at the end of the year             | -            | -                | -           | -                |
| 3  | Funded status [surplus/deficit]                                 | (54,92,389)  | (21,11,892)      | (50,18,403) | (22,17,025)      |
| 4  | Net Liability recognized in balance sheet                       | 54,92,389    | 21,11,892        | 50,18,403   | 22,17,025        |
| <b>III Change in present value of obligation during the year</b>         |   |              |                  |             |                  |
| 1  | Present value of obligation as at the beginning of the year     | 50,18,403    | 22,17,025        | 53,84,234   | 28,19,817        |
| 2  | Acquisition adjustment  | -            | -                | -           | -                |
| 3  | Interest cost   | 3,57,812     | 1,58,074         | 4,19,970    | 2,19,946         |
| 4  | Past service cost   | -            | -                | -           | -                |
| 5  | Current service cost  | 8,10,813     | 5,62,445         | 8,29,783    | 7,99,859         |
| 6  | Settlement cost   | -            | -                | -           | -                |
| 7  | Benefit paid  | (4,79,011)   | (9,96,764)       | (10,04,059) | (9,96,764)       |
| 8  | Actuarial (gain)/loss on obligation                             | (2,15,628)   | 1,71,112         | (6,11,525)  | (6,25,833)       |
| 9  | Present value of obligation as at the end of the year           | 54,92,389    | 21,11,892        | 50,18,403   | 22,17,025        |
| <b>IV Change in the fair value of plan assets during the year</b>        |   |              |                  |             |                  |
| 1  | Fair value of plan assets at the beginning of the year          | -            | -                | -           | -                |
| 2  | Expected return on plan assets                                  | -            | -                | -           | -                |
| 3  | Contributions   | -            | -                | -           | -                |
| 4  | Benefits paid   | -            | -                | -           | -                |
| 5  | Actuarial Gain/(loss) on plan assets                            | -            | -                | -           | -                |
| 6  | Fair value of plan assets as at the end of the year             | -            | -                | -           | -                |
| <b>Actuarial Assumptions:</b>  |   |              |                  |             |                  |
| 1  | Discount rate   | 7.70%        |                  | 7.70%       |                  |
| 2  | Rate of increase in compensation                                | 10.00%       |                  | 10.00%      |                  |
| 3  | Rate of return on plan assets                                   | -            |                  | -           |                  |
| 4  | Average Outstanding service of Employee's upto retirement       | 26.60 Years  |                  | 24.73 Years |                  |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

### 27. Accounting Standards

The Company follows all applicable accounting standards as required under Section 133 of the companies Act 2013 read with Rule 7 of the Company (Accounts) Rules, 2014.

|            | PARTICULARS  |             | For the Year<br>Ended 31.03.17<br>(Rs. in Lacs) | For the Year<br>Ended 31.03.16<br>(Rs. in Lacs) |
|------------|--|-------------|---|---|
| <b>28.</b> | <b>Contingent Liabilities</b>                          |             |   |   |
|            | For Bank Guarantees availed                            |             | 1020.46   | 1020.46   |
|            | As Co-borrower for loans availed by group Companies    |             | 1500.00   | 1500.00   |
| <b>29.</b> | <b>Claims not acknowledged as debt</b>                 |             |   |   |
|            | (a) For Commercial disputes                            |             | 1856.92   | 1264.96   |
|            | (b) Statutory dues                                     |             | 704.46  | 1139.32   |
| <b>30.</b> | <b>Auditors Remuneration Covers</b>                    |             |   |   |
|            | For Statutory Audit & Tax Audit                        |             | 3.50  | 3.50  |
|            | For Taxation matters                                   |             | 1.50  | 1.50  |
|            | For Other Services and service tax                     |             | 1.61  | 1.58  |
| <b>31.</b> | <b>Directors Remuneration Covers</b>                   |             |   |   |
|            | Salaries   |             | 61.66   | 59.86   |
|            | Sitting fees   |             | 3.66  | 2.04  |
| <b>32.</b> | <b>Earning per Share (EPS)</b>                         |             |   |   |
|            | <b>Particulars</b>                                     | <b>Unit</b> | <b>For the Year<br/>Ended 31.03.17</b>          | <b>For the Year<br/>Ended 31.03.16</b>          |
|            | Profit attributable to equity share holder (numerator) | "A"         | Rs. (203.14) Lacs                               | (425.11) lacs                                   |
|            | No. of equity shares at the beginning of the year      | Nos.        | 60,12,43,200                                    | 60,12,43,200                                    |
|            | No of equity shares entitled to share profits.         | Nos.        | 60,12,43,200                                    | 60,12,43,200                                    |
|            | Weighted average no. of equity shares at year end.     | "B"         | Nos. 60,12,43,200                               | 60,12,43,200                                    |
|            | Face Value per Equity Share                            | Rs.         | Re.1/-  | Re.1/-  |
|            | Basic / Diluted earning per share (A) / (B)            | Rs.         | (0.03)  | (0.07)  |

33. Previous year figures have been regrouped/rearranged and reclassified wherever necessary to facilitate comparison.
34. Determination of Revenues under 'Percentage of Completion Method' necessarily involves making estimates by management for percentage of completion, projected/ budgeted cost to completion, revenues expected from projects, and foreseeable losses. **These estimates being of technical nature have been relied upon by the auditors as per management representations.**
35. In the opinion of Directors, the current assets, loans and advances including advances for purchase of land have value on realization in the ordinary course of business at least equal to the value at which they are stated in the forgoing Balance Sheet except as otherwise stated.
36. Some of the Debit and credit balances of Trade Receivables, (excluding unbilled receivable) trade and other payables, deposits, advances, bank and financial institutional loans are subject to confirmation and consequent adjustment, if any, arising from subsequent reconciliation. The Management however is of the view that there will be no material adjustment in this regard.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

37. Disclosure in respect of Specified Bank Notes (SBN) held and transacted during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December 2016

|                                       | SBNs     | Other denomination Notes | Total     |
|---------------------------------------|----------|--------------------------|-----------|
| Closing cash in hand as on 8.11.2016  | 3,90,000 | 13,67,911                | 17,57,911 |
| (+) Permitted receipts                | Nil      | Nil                      | Nil       |
| (-) Permitted payments                | 1,25,000 | 3,70,655                 | 4,95,655  |
| (-) Amount deposited in Banks         | 2,65,000 | Nil                      | 2,65,000  |
| Closing cash in hand as on 30.12.2016 | Nil      | 9,97,256                 | 9,97,256  |

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407 (E), dated 8<sup>th</sup> November, 2016.

38. Penal Interest on loan from banks and financial institutions, if any, payable for accounts declared as NPA by the lenders has not been provided, since the liability for such penal interest is uncertain and is of discretionary nature.
39. As per managements decision during F.Y. 2014-15, it was resolved that no interest be provided w.e.f. 01.04.2014 on bank and institutional loans declared as NPA on which lenders are also not providing interest. The management had then decided to take final call for such liabilities after negotiation and settlement with lenders.

In consequence of the above decision of the management:-

Interest of Rs 26,46,73,186/- (previous year Rs.22,75,35,705/-) being the interest directly related with the projects has not been included in the construction cost of respective projects and interest of Rs. 20,94,67,201/- (Previous year Rs. 18,21,49,868/-) not directly relating to any project, has not been charged to Statement of Profit and Loss during the year. Total liability towards interest on loans from banks and financial institutions not provided in these financial statements during the year is Rs 47,41,40,387/- (previous year Rs. 40,96,85,573/-).

Out of this, Interest amounting to Rs. 26,46,73,186/- (previous year Rs.22,75,35,703/-) directly related with real estate projects was to be expensed as direct project cost, which would have resulted in change in the percentage of completion, as well as escalation of budgeted project cost, on account of inclusion of interest not initially included in the said project cost.

Net effect of non provision of interest on loans from banks and financial institution declared NPA is that :-

- i) Revenue from operation is understated by Rs. 4,49,98,789/- (Previous year Rs. 18,99,09,679/-) arising out of percentage of completion (POC) method of accounting, due to non-capitalization of interest directly attributable to project work-in-progress.
- ii) Loss from operation is understated by Rs. 42,91,41,598/- (Previous year Rs.21,97,75,894/-)
40. a) During the preceeding financial years, the company had mortgaged some of its land parcels situated at Neemrana and Bhiwadi to secure loans availed by its group concern. During the years 2013-14 and 2014-15, the company got the lien lifted on the mortgaged properties on which project development was to be undertaken, by taking over the loan liabilities of the group concern of the value of Rs. 40.00 crore. By virtue of this transaction, the loan liability was shown under the head 'secured loans' whereas the corresponding debit was shown under the head 'Loans and advances to group concerns'.
- b) As on 31.03.2017 advances to Group Companies, amounting to Rs. 2726.34 lacs, (Previous year Rs. 2815.94 lacs) are considered doubtful of recovery for which no provision has been made in these accounts. Interest is not provided on advance of Rs. 64.50 lacs.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

41. Trade receivables include Rs. 277.04 crores (Previous year Rs. 274.63 crores) representing unbilled receivables. These debts represent amounts receivable on the basis of sale accounted for, under the Percentage of Completion (POC) method. The recovery of these debts is subject to sale of unsold inventories, completion and delivery of projects.

42. **BANK / FINANCIAL INSTITUTION LOANS**

(a) Following credit facilities are availed by the Company, from Banks and Financial Institutions:-

- (i) Term Loan from Consortium of Canara Bank and UCO Bank secured against first pari passu charge on moveable and immoveable assets situated at MVL IBC-IT Park Sector 35, Gurugram.
  - Further secured against personal guarantee of Managing Director and Corporate Guarantee provided by a group company.
- (ii) Term Loan from Dena Bank secured against first charge on entire assets of MVL Indihome Group Housing Project situated at Bhiwadi.
  - Further secured against personal guarantee of Managing Director.
- (iii) Corporate Loan from IFCI Ltd now assigned to CFM- ARC secured against pledge of equity shares owned by a group company, personal guarantee of Managing Director and Corporate Guarantee of a group company. Further secured against mortgage of flats at Bhiwadi Coral Project.
- (iv) Sicom Ltd secured against first charge on property belonging to a group company including hypothecation of receivables thereupon.
  - Further secured against personal guarantee of Managing Director
- (v) IFCI Factors Ltd secured against flats situated at Bhiwadi Coral Project and pledge of shares owned by a group company.
  - Further secured against personal guarantee of the Managing Director.

(b) **Present Status of Bank / Financial Institution Loans**

- i) 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 also issued notice dated 9.5.2015 under Section 13(2) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs.93.64 crores along with further interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 9.7.2015.
- ii) 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. UCO Bank has also issued notice dated 5.3.2014 under Section 13 (2) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs. 40.00 crores along with further interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 06.05.2014.
- 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 also issued notice dated 31.3.2016 under Section 13 (2) 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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

along with further interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 13.05.2016. The Company's proposal for One Time settlement is under consideration of Bank.

- iv) IFCI Ltd had declared the Loan Account as NPA and had 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 application dated 19.12.2012 for recovery of Rs. 49.24 crores along with interest upto the date of payment. IFCI Ltd had also issued notice dated 8.12.2014 under section 13(4) of SARFAESI Act, 2002 claiming their dues. IFCI Ltd has now assigned their debt to CFMARC Trust-2 IFCI as per their letter dated 18-04-2017. As such the liability towards IFCI limited has been transferred in the name of CFM an Asset Reconstruction Company, but no formal assignment agreement has been signed with the company as yet , quantifying the amount of liability taken over, therefore loan is stated in the balance sheet at the amount brought forward from the last year.
  - v) Sicom Limited has declared the Loan Account as NPA on 15.4.2015 and has also proceeded under section 13(4) of SARFAESI Act, 2002 claiming their dues of Rs. 47.10 crores against mortgaged 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 .
  - 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.
43. Security Exchange Board of India (SEBI) has passed an order dated 19.12.2014 allegedly treating the collection received under the Assured return plan - IBC Gurugram Project, as if, covered under the collective investment scheme in terms of section 11AA of SEBI Act. The company has challenged the said order, requiring the company to refund the total collection. Company's appeal before Securities Appellate Tribunal (SAT) is pending for adjudication.
44. In view of the aforesaid order of SEBI, the company has not provided for interest to the allottees who have booked units in the IBC project under Assured Return Payment plan, on account of force majeure events arising out of the Agreements. Some of the matters are under Arbitration and liability, if any, will be considered after adjudication.
45. Disclosure of Related Party Transactions in accordance with Accounting Standard (AS) - 18 "Related Party Disclosures".
- a) **Subsidiaries (Group – A)**
    - MVL Developers Ltd.
    - Udyan Hoticultures Pvt. Ltd.
    - Creative Pools Developers Pvt. Ltd.
  - b) **Key Managerial Personnel (Group – B)**
    - Mr. Prem Adip Rishi – Managing Director
    - Mr. Rakesh Gupta – Director & Chief Financial Officer
    - Mr. Dhiraj Suri – Vice President Operations
  - c) **Relatives of Key Managerial Personnel Relative (Group – C)**
    - Mr. Arjun Rishi
    - Mr. Prem Adip Rishi (HUF)
    - Mrs. Anuradha Rishi
  - d) **Companies/Parties in which key management Person or their relatives have substantial interest/significant influence (Group – D)**
    - Media Holding Pvt. Ltd.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

MVL Credits Holdings & Leasing Ltd.  
Falcon Technosystems Ltd  
Noesis Industries Ltd.  
Risbro Technical Equipment Pvt. Ltd.  
Cardinal Infratech Ltd.  
MVL Solar Power Ltd  
Shri Tirupati Balaji Electronics Pvt.Ltd  
Parisar Property Developers Pvt. Ltd

Note : - List of related parties has been identified by the management and relied upon by the auditors

Summary of transactions carried out with related parties

(Rs. In Lacs)

| Sl. No. | Nature of Transactions                       | Referred in 45 (a) | Referred in 45 (b) | Referred in 45 (c) | Referred in 45 (d) | Total For the year ended 31/03/17 | Total For the year ended 31/03/16 |
|---------|--|--------------------|--------------------|--------------------|--------------------|-----------------------------------|-----------------------------------|
| i.      | Director remuneration & Sitting Fees         | -                  | 61.66              | -                  | -                  | 61.66                             | 61.90                             |
| ii.     | Managerial Remuneration & contribution to PF | -                  | 13.59              | -                  | -                  | 13.59                             | 15.83                             |
| iii.    | Rent paid                                    | -                  | -                  | 92.40              | -                  | 92.40                             | 92.40                             |
| iv.     | Purchase of Fixed assets/ inventories        | -                  | -                  | -                  | 1737.67            | 1737.67                           | 3886.02                           |
| v.      | Sale of securities                           | -                  | -                  | -                  | -                  | -                                 | 58.81                             |
| vi.     | Advances repaid/given                        | 67.75              | -                  | -                  | 8.74               | 76.49                             | 104.74                            |
| vii.    | Advances Recovered                           | -                  | -                  | -                  | 167.17             | 167.17                            | 389.72                            |
| vii.    | Advance Received                             | 196.80             | -                  | -                  | 257.96             | 454.76                            | -                                 |
| ix.     | Corporate Guarantee /Co-borrower liability   | -                  | -                  | -                  | 1500.00            | 1500.00                           | 1500.00                           |
| x.      | Guarantees Availed                           | -                  | -                  | 425.00             | 5000.00            | 5425.00                           | 5425.00                           |
| xi.     | <b>Year End Balances</b>                     |                    |                    |                    |                    |                                   |                                   |
|         | Receivables                                  | 316.40             | -                  | -                  | 2781.50            | 3097.90                           | 3235.06                           |
|         | Payables                                     | 195.83             | -                  | -                  | 326.60             | 522.43                            | 136.55                            |

46. Disclosure of Guarantees & Securities given during the year in terms of section 186 (4) of the Companies Act, 2013.

Guarantee & security provided to Karvy Financial Services Ltd, Mumbai against Rs. 15.00 crores loan availed by MVL Credits Holdings & Leasing Ltd and its subsidiaries. Security provided is 8 Residential Flats situated at project MVL Coral, Bhiwadi. Loans have been availed by these companies for meeting their working capital requirements.

47. Information pursuant to regulation 34(3) and 53(f) of the listing agreement.

a) Loans and advances in the nature of loans to subsidiaries :-

| Particulars                         | Balances (Rs. in Lacs) |                  | Maximum balance during the year (Rs. in Lacs) |                  |
|-------------------------------------|------------------------|------------------|---|------------------|
|                                     | As at 31.03.2017       | As at 31.03.2016 | As at 31.03.2017                              | As at 31.03.2016 |
| MVL Developers Ltd.                 | 316.19                 | 315.81           | 316.19  | 315.82           |
| Creative Pools Developers Pvt. Ltd. | -                      | 0.97             | 0.97  | 0.97             |
| Udyan Horticultures Pvt. Ltd.       | 0.21                   | -                | 0.21  | -                |

There is no stipulation of repayment of loan and no interest is charged on above loan to subsidiaries.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

- b) There are no loans & advances in the nature of loans to Associate.  
 c) Loans and advances in the nature of loans to firms/ companies in which directors are interested:-

| S. No | Particulars                  | Balances (Rs. in Lacs) |                  | Maximum balance during the year (Rs. in Lacs) |                  |
|-------|------------------------------|------------------------|------------------|---|------------------|
|       |                              | As at 31.03.2017       | As at 31.03.2016 | As at 31.03.2017                              | As at 31.03.2016 |
| 1     | Noesis Industries Limited    | 2661.84                | 2759.43          | 2759.43                                       | 2793.07          |
| 2     | Falcon Technosystems Limited | 64.50                  | 56.51            | 64.50   | 56.51            |

- d) Investment of Noesis Industries Ltd in the shares of parent company represents the shares received as per scheme of Demerger of said company as approved by the Hon'ble High Court of Delhi w.e.f 15.2.2007. There is no other investment by the loanee in the shares of parent company.
48. As per the best estimate of the Management, no provision is required to be made in terms of Accounting Standard (AS)-29, in respect of any present obligation as a result of past event that could lead to a probable outflow of resource which would be required to settle the obligation.
49. In respect of advances for projects (Land/ rights) of Rs. 1469.70 lacs (Previous year Rs.6817.72 lacs) included under the head "Long Term Loans and Advances", confirmations and valid supporting agreements have not been provided to the auditors, however the management expects to recover and/ or adjust the said advances against deliveries.
50. During the year Real Estate properties of the value of Rs. 9218.77s Lacs (Previous year Rs. 3886.02 Lacs) have been included as part of Inventory/WIP. For these properties above 80% of the cost has been paid and the said properties are supported with Builder Buyer Agreements, but these properties are not as yet registered in the name of the Company.

Signature for Note "1" to "50"

As per our report even date  
**FOR ARUN KISHORE & COMPANY**  
 Chartered Accountants  
**(ICAI FRN No. : 001898N)**

**Sd/-**  
**CA Arun Kishore**  
 Partner  
 Membership No.10770  
**Place : New Delhi**  
**Date : 8<sup>th</sup> June, 2017**

**Sd/-**  
**(Prem Adip Rishi)**  
 Managing Director  
 DIN : 00020611

**For and on behalf of the Board of Directors**

**Sd/-**  
**(Rakesh Gupta)**  
 Director & Chief Financial Officer  
 DIN : 00020638

**Sd/-**  
**(Monika Agarwal)**  
 Company Secretary  
 M.NO. : 31258

**Form-AOC-1**  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as per Companies Act, 2013

| Part "A" Subsidiaries |   |                        |                               |                                     |  |
|-----------------------|---|------------------------|-------------------------------|-------------------------------------|--|
| 1                     | Name of Subsidiary Company                  | MVL Developers Limited | Udyan Horticultures Pvt. Ltd. | Creative Pools Developers Pvt. Ltd. |  |
| 2                     | Financial Period of the Subsidiary ended on | 31st March 2017        | 31st March 2017               | 31st March 2017                     |  |
| 3                     | Reporting Currency                          | INR                    | INR                           | INR                                 |  |
| 4                     | Share Capital                               | Rs. 10,00,000/-        | Rs. 1,00,000/-                | Rs. 1,00,000/-                      |  |
| 5                     | Reserve & Surplus                           | Rs. Nil                | (Rs. 2,07,262/-)              | (Rs. 1,94,797/-)                    |  |
| 6                     | Total Assets                                | Rs. 3,26,47,641/-      | Rs. 2,12,49,933/-             | Rs. 1,97,58,953/-                   |  |
| 7                     | Total Liabilities                           | Rs. 3,16,47,641/-      | Rs. 2,13,49,933/-             | Rs. 1,97,53,750/-                   |  |
| 8                     | Investments                                 | Rs. Nil                | Rs. Nil                       | Rs. Nil                             |  |
| 9                     | Turnover                                    | Rs. Nil                | Rs. Nil                       | Rs. Nil                             |  |
| 10                    | Profit before Taxation                      | (Rs. 37,681/-)         | (Rs. 41,465/-)                | (Rs. 38,557/-)                      |  |
| 11                    | Provision for Taxation                      | Rs. Nil                | Rs. Nil                       | Rs. Nil                             |  |
| 12                    | Profit after Taxation                       | (Rs. 37,681/-)         | (Rs. 41,465/-)                | (Rs. 38,557/-)                      |  |
| 13                    | Proposed Dividend                           | Rs. Nil                | Rs. Nil                       | Rs. Nil                             |  |
| 14                    | % of Shareholding                           | 100%                   | 100%                          | 100%                                |  |

Note : - 1. All the above subsidiary companies which have not yet commenced operations

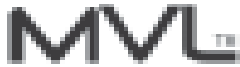
**For and on behalf of the Board of Directors**

**(Prem Adip Rishi)**  
Managing Director  
DIN : 00020611

**(Rakesh Gupta)**  
Director & Chief Financial Officer  
DIN : 00020638

**(Monika Agarwal)**  
Company Secretary  
M.NO. : 31258





**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF MVL LTD. ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MVL LTD. AND ITS SUBSIDIARIES.**

1. We have audited the attached consolidated Balance Sheet of MVL Ltd. and its subsidiaries as at 31st March 2017, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements of the holding and subsidiary companies. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) - 21, "Consolidated Financial Statements", Accounting Standard (AS) - 23 on "Accounting for investments in Associates in Consolidated Financial statements".
4. Based on our audit and on consideration of separate financial statements of holding and subsidiary companies and to the best of our information and according to the explanations given to us, the consolidated financial statements **subject qualification given under note no 39840 and matter of emphasizes without qualification stated under Note Nos 49, 50 and 37** and read together with Significant Accounting policies and Notes thereon, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India: -
  - a) in the case of the consolidated Balance sheet of the state of affairs of the Group as at 31st March, 2017.
  - b) in the case of the Consolidated Statement of Profit and Loss of the loss of the Group for the year ended on that date:  
and
  - c) in the case of Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

**For ARUN KISHORE & COMPANY  
CHARTERED ACCOUNTANTS  
( ICAI FRN : 001898 N)**

**Place : New Delhi  
Date : 8<sup>th</sup> June 2017**

**Sd/-  
CA ARUN KISHORE  
PARTNER  
[Membership No. 10770]**



Consolidated Balance Sheet as at 31st March, 2017

| PARTICULARS                            | NOTE NO'S    |                      | AS AT<br>31 <sup>st</sup> Mar 2017<br>(Amount in Rs.) | AS AT<br>31 <sup>st</sup> Mar 2016<br>(Amount in Rs.) |
|--|--------------|----------------------|---|---|
| <b>EQUITY AND LIABILITIES</b>          |              |                      |   |   |
| <b>SHAREHOLDERS' FUNDS:</b>            |              |                      |   |   |
| Share Capital                          | 2            | 601,243,200          |   | 601,243,200   |
| Reserves and Surplus                   | 3            | <u>1,036,000,215</u> |   | <u>1,056,394,369</u>                                  |
|  |              |                      | 1,637,243,415   | 1,657,637,569   |
| <b>NON-CURRENT LIABILITIES</b>         |              |                      |   |   |
| Long-Term Borrowings                   | 4            | -                    |   | -   |
| Deferred Tax Liabilities (Net)         |              | -                    |   | -   |
| Other Long Term Liabilities            | 5            | 942,984,291          |   | 932,732,580   |
| Long-Term Provisions                   | 6            | <u>5,492,389</u>     |   | <u>5,018,403</u>                                      |
|  |              |                      | 948,476,680   | 937,750,983   |
| <b>CURRENT LIABILITIES</b>             |              |                      |   |   |
| Short Term Borrowings                  | 7            | 2,562,789,351        |   | 2,563,751,330   |
| Trade Payables                         | 8            | 96,427,123           |   | 80,435,298  |
| Other Current Liabilities              | 9            | 149,096,376          |   | 159,354,240   |
| Short-Term Provisions                  | 10           | <u>24,384,708</u>    |   | <u>25,226,028</u>                                     |
|  |              |                      | 2,832,697,558   | 2,828,766,895   |
|  |              |                      | <u>5,418,417,652</u>                                  | <u>5,424,155,447</u>                                  |
| <b>ASSETS</b>                          |              |                      |   |   |
| <b>NON-CURRENT ASSETS</b>              |              |                      |   |   |
| Fixed Assets                           | 11           |                      |   |   |
| Tangible Assets                        |              | 17,724,054           |   | 77,483,809  |
| Intangible Assets                      |              | 66,274               |   | 33,625  |
| Capital Work-in-Progress               |              | <u>11,256,959</u>    |   | <u>8,548,004</u>                                      |
|  |              |                      | 29,047,287  | 86,065,438  |
| Non-Current Investments                | 12           | 9,064,580            |   | 9,605,172   |
| Deferred Tax Assets (Net)              |              | -                    |   | -   |
| Long-Term Loans and Advances           | 13           | 154,635,189          |   | 686,940,168   |
| Other Non-Current Assets               | 14           | <u>147,454</u>       |   | <u>681,903</u>  |
|  |              |                      | 163,847,223   | 697,227,243   |
| <b>CURRENT ASSETS</b>                  |              |                      |   |   |
| Inventories                            | 15           | 1,990,391,061        |   | 1,449,337,749   |
| Trade Receivables                      | 16           | 2,835,095,356        |   | 2,814,774,225   |
| Cash and Cash Equivalents              | 17           | 70,156,926           |   | 72,037,437  |
| Short-Term Loans and Advances          | 18           | 329,879,800          |   | 304,713,355   |
| Other Current Assets                   |              | -                    |   | -   |
|  |              |                      | 5,225,523,142   | 4,640,862,766   |
|  |              |                      | <u>5,418,417,652</u>                                  | <u>5,424,155,447</u>                                  |
| <b>Significant Accounting Policies</b> |              |                      |   |   |
| Other Notes                            | 1<br>2 to 50 |                      |   |   |

The Notes referred to above form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

FOR ARUN KISHORE & COMPANY

Chartered Accountants  
(ICAI FRN No. : 001898N)

Sd/-  
CA Arun Kishore  
Partner  
Membership No.10770  
Place : New Delhi  
Date : 8<sup>th</sup> June, 2017

Sd/-  
(Prem Adip Rishi)  
Managing Director  
DIN : 00020611

For and on behalf of the Board of Directors

Sd/-  
(Rakesh Gupta)  
Director & Chief Financial Officer  
DIN : 00020638

Sd/-  
(Monika Agarwal)  
Company Secretary  
M.NO. : 31258



**Consolidated Statement of Profit & Loss for the year ending 31st March, 2017**

| PARTICULARS   | NOTE NO'S | FOR THE YEAR ENDED 31ST MARCH 2017<br>(Amount in Rs.) | FOR THE YEAR ENDED 31ST MARCH 2016<br>(Amount in Rs.) |
|---|-----------|---|---|
| <b>INCOME</b>   |           |   |   |
| Revenue from operations   | 19        | 48,597,131  | 130,082,322   |
| Other Income  | 20        | 48,828,976  | 32,606,464  |
| <b>TOTAL</b>  |           | <b>97,426,107</b>                                     | <b>162,688,786</b>                                    |
| <b>EXPENSES</b>   |           |   |   |
| Cost of Construction / Development                                    | 21        | 40,829,151  | 112,437,954   |
| Purchase of Stock in Trade  |           | 533,274,766   | 388,602,392   |
| (Increase)/Decrease in Stock  | 22        | (541,053,312)   | (422,846,872)   |
| Employees Benefits Expenses   | 23        | 37,111,644  | 48,459,476  |
| Finance Cost  | 24        | 970,069   | 519,105   |
| Depreciation and amortization   | 11        | 4,766,415   | 6,783,938   |
| Other Expenses  | 25        | 41,921,527  | 74,548,144  |
| <b>TOTAL</b>  |           | <b>117,820,260</b>                                    | <b>208,504,137</b>                                    |
| <b>Profit/(Loss) from Ordinary activities before Exceptional Item</b> |           | <b>(20,394,154)</b>                                   | <b>(45,815,350)</b>                                   |
| Exceptional Items Dr/(Cr)   |           | -   | -   |
| <b>Profit/(Loss) from Ordinary activities before Tax</b>              |           | <b>(20,394,154)</b>                                   | <b>(45,815,350)</b>                                   |
| Tax Expenses  |           |   |   |
| Current Tax   |           | -   | -   |
| Deferred Tax  |           | -   | (1,082,615)   |
| <b>Profit/(Loss) from Ordinary activities after Tax</b>               |           | <b>(20,394,154)</b>                                   | <b>(44,732,735)</b>                                   |
| Write back of Excess Provisions                                       |           | -   | (2,139,000)   |
| <b>Net Profit for the Period from Ordinary activities after Tax</b>   |           | <b>(20,394,154)</b>                                   | <b>(42,593,735)</b>                                   |
| Extra Ordinary Items (Net of Tax)                                     |           | -   | -   |
| <b>Net Profit for the Period</b>                                      |           | <b>(20,394,154)</b>                                   | <b>(42,593,735)</b>                                   |
| Earning per equity share (Nominal value of shares Rs. 1/- each)       |           |   |   |
| Basic (in Rs.)  |           | (0.03)  | (0.07)  |
| Diluted (in Rs.)  |           | (0.03)  | (0.07)  |
| <b>Significant Accounting Policies</b>                                | 1         |   |   |
| <b>Other Notes</b>  | 2 to 50   |   |   |

The Notes referred to above form an integral part of the financial statements

This is the Statement of Profit & Loss referred to in our report of even date

**FOR ARUN KISHORE & COMPANY**

Chartered Accountants  
(ICAI FRN No. : 001898N)

Sd/-  
**CA Arun Kishore**  
Partner  
Membership No.10770  
Place : New Delhi  
Date : 8<sup>th</sup> June, 2017

Sd/-  
**(Prem Adip Rishi)**  
Managing Director  
DIN : 00020611

**For and on behalf of the Board of Directors**

Sd/-  
**(Rakesh Gupta)**  
Director & Chief Financial Officer  
DIN : 00020638

Sd/-  
**(Monika Agarwal)**  
Company Secretary  
M.NO. : 31258



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

| S. No. | PARTICULARS   | FOR THE YEAR<br>ENDED 31.03.2017<br>(RS. IN LACS) | FOR THE YEAR<br>ENDED 31.03.2016<br>(RS. IN LACS) |
|--------|---|---|---|
| A.     | <b>Cash flow from Operating activities</b>                                  |   |   |
|        | Net profit before taxation & extraordinary items                            | (203.94)  | (458.15)  |
|        | <b>Non-cash adjustment to reconcile profit before tax to net cash flows</b> |   |   |
|        | Depreciation and Amortisation   | 47.66   | 67.84   |
|        | Revenue Exp./other claims written off                                       | (90.88)   | (0.04)  |
|        | Profit/(Loss) on sale of Fixed Assets                                       | (194.01)  | 10.18   |
|        | Profit/(Loss) on sale of Shares   | -   | 1.65  |
|        | Interest expense  | 8.96  | 3.15  |
|        | Lease rent / hire purchase expense  | 0.74  | 2.04  |
|        | Interest income   | (294.28)  | (323.98)  |
|        | Other misc income   | -   | (2.08)  |
|        | <b>Operating Profit before working capital changes</b>                      | <b>(725.75)</b>                                   | <b>(699.39)</b>                                   |
|        | <b>Movement in working capital</b>  |   |   |
|        | Increase/(Decrease) in Trade Payables                                       | 250.80  | (470.20)  |
|        | Increase/(Decrease) in Long Term Liabilities & Provisions                   | 107.26  | 2,300.99  |
|        | (Increase)/Decrease in Other current liabilities and short term Provisions  | (110.99)  | 373.39  |
|        | Increase/(Decrease) in Trade Receivable                                     | (203.21)  | (531.68)  |
|        | (Increase)/Decrease in Inventories  | (5,410.53)  | (4,228.47)  |
|        | (Increase)/Decrease in Long Term Loan and Advances                          | 5,370.15  | 3,519.10  |
|        | (Increase)/Decrease in Short Term Loan and Advances                         | (251.66)  | (575.75)  |
|        | Increase/(Decrease) in Other Non Current Assets                             | 5.34  | (1.54)  |
|        | <b>Cash generated from / (used in) operations</b>                           | <b>(968.60)</b>                                   | <b>(313.55)</b>                                   |
|        | Direct Taxes paid (net of refunds)  | -   | -   |
|        | Cash Flow before extraordinary items  | (968.60)  | (313.55)  |
|        | Extraordinary items - write back  | -   | 26.27   |
|        | <b>Net cash flow from / (used in) Operative Activities (A)</b>              | <b>(968.60)</b>                                   | <b>(287.28)</b>                                   |
| B.     | <b>Cash Flow from investing activities.</b>                                 |   |   |
|        | Purchase of Fixed Assets  | (28.50)   | (35.00)   |
|        | Sale of Non-Current Investments   | 5.41  | 72.98   |
|        | Proceeds from Sale of Fixed Assets  | 745.02  | 5.00  |
|        | Other Income  | 294.28  | 323.98  |
|        | Other misc income   | -   | 2.08  |
|        | <b>Net cash flow from / (used in) Investing Activities (B)</b>              | <b>1,016.21</b>                                   | <b>369.04</b>                                     |
| C.     | <b>Cash Flow from Financing Activities</b>                                  |   |   |
|        | Interest expense  | (8.96)  | (3.15)  |
|        | Lease rent / hire purchase expense  | (0.74)  | (2.04)  |
|        | Increase / (Decrease) in Long Term Borrowing                                | -   | (4,684.78)  |
|        | Increase / (Decrease) in Short Term Borrowing                               | (9.62)  | 4,641.79  |
|        | <b>Net cash flow from / (used in) Finance Activities (C)</b>                | <b>(19.32)</b>                                    | <b>(48.18)</b>                                    |
|        | Net increase/(decrease) in cash and cash equivalents (A+B+C)                | 28.30   | 33.76   |
|        | Cash and Bank Equivalent at the beginning of the year                       | 91.11   | 57.35   |
|        | Cash and Bank Equivalent at the end of the year                             | 119.41  | 91.11   |
|        | <b>Components of Cash and Cash Equivalents</b>                              |   |   |
|        | <b>Cash in Hand</b>   | 8.30  | 19.48   |
|        | <b>In Current Accounts</b>  | 111.11  | 71.63   |
|        |   | <b>119.41</b>                                     | <b>91.11</b>                                      |

This is the Cash Flow Statement referred to in our report of even date

**FOR ARUN KISHORE & COMPANY**  
Chartered Accountants  
(ICAI FRN No. : 001898N)

For and on behalf of the Board of Directors

Sd/-  
CA Arun Kishore  
Partner  
Membership No.10770  
Place : New Delhi  
Date : 8<sup>th</sup> June, 2017

Sd/-  
(Prem Adip Rishi)  
Managing Director  
DIN : 00020611

Sd/-  
(Rakesh Gupta)  
Director & Chief Financial Officer  
DIN : 00020638

Sd/-  
(Monika Agarwal)  
Company Secretary  
M.NO. : 31258



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

### NOTE NO. 1

#### Significant Accounting Policies

##### a) Principles of Consolidation

The consolidated accounts are prepared based on line-by-line consolidation of statement of profit and loss and Balance Sheet of MVL Limited and its subsidiaries. The consolidation adjustments have been made in respect of intra group transactions.

These consolidated financial accounts are prepared in accordance with Accounting Standard (AS) - 21 on consolidated Financial statement & Accounting Standard (AS) – 23 on Accounting for investment in associates in consolidated Financial Statements as notified by companies (Accounting Standard) Rules, 2006 (as amended)

##### b) Corporate Information

MVL Ltd. (hereinafter referred to as the “Company”) is a Company domiciled in India and incorporated under the provisions of the Companies Act 1956 read with companies Act 2013 (The Act). The Company is engaged in the business of Real estate builders & developers.

##### c) Basis of Accounting

The financial statements of the company are prepared and presented under the historical cost convention and comply in all material respects with applicable accounting standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, All incomes & expenditure are accounted for on accrual method of accounting unless otherwise stated hereafter. Accounting policies not specifically referred to are consistent with Generally Accepted Accounting Principles. Material events occurring after balance sheet date have been taken into cognizance.

##### d) Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Actual results could differ from those estimates and any revision is recognized in the current and future years.

##### e) Revenue Recognition

###### Real Estate Projects

- i. Revenue from Real Estate Projects is recognized in accordance with the provisions of Accounting Standard (AS) 9 on Revenue Recognition, read with Guidance Note on “Recognition of Revenue by Real Estate Developers”. As per this Guidance Note, the revenue is recognized on percentage of completion method provided following conditions are met at the reporting date.
  - at least 25% of estimated construction and development costs (excluding land cost) has been incurred;
  - at least 25% of the saleable project area is secured by the Agreements to sell/application forms (containing salient terms of the agreement to sell); and
  - at least 10% of the total revenue as per agreement to sell are realized in respect of these agreements.
- ii. The estimates of the projected revenues, saleable area and projected costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period, such changes are determined.
- iii. Where aggregate of the payments received provide insufficient evidence of Buyers commitment to make the complete payment, revenue is recognized only to the extent of realization.



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

- iv. While all incomes and expenses are accounted for on accrual basis, Interest on delayed payments by customers against dues is taken on realization, owing to uncertainties involved.

### f) Cost of construction / Development

Accumulated project cost i.e. cost of construction / development comprises of: -

- i) Expenses directly related to the project.
- ii) Finance Cost including interest and charges incurred up to the completion of the project are considered as attributable cost to the project and included under accumulated Project cost.
- iii) Project costs in relation to a project, ordinarily comprise of :-
  - **Cost of land and cost of development rights:** All costs related to the acquisition of land, development rights, rehabilitation costs, registration charges, stamp duty, brokerage costs, statutory dues paid to sanctioning authorities and other incidental expenses.
  - **Construction and development costs:** This includes cost that relate directly to the specific project and costs that may be attributable to project activity in general and can be allocated to the project.
  - **Borrowing Costs: (In accordance with Accounting Standard (AS 16))**
    - i) Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets for the year up to the completion/installation or construction of such asset respectively are capitalized as part of the cost of such asset.
    - ii) Borrowing costs directly attributable to projects under taken by the company are charged to each such project on year to year basis and is treated as cost of the project.
    - iii) All other borrowing costs are charged to revenue in the year in which they are incurred.

### g) Inventory

Inventory comprises of: -

- i) Work-in-progress including land, projects completed or under development ,
- ii) Stock of building material and real estate trading,
- iii) Completed units remaining unsold,
- iv) Rights in identified properties covered by Builder Buyer Agreements are valued at cost or market value whichever is lower.

### h) Trade Receivables represents

- Receivables due as per Builder Buyer Agreements net of amounts received.
- Unbilled receivables against revenue recognized on "percentage of completion method"

### i) Fixed Assets

Fixed Assets are stated at cost, net of accumulated depreciation. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

### j) Depreciation

- i) Depreciation on tangible and intangible assets is provided on the Useful life method as specified under Schedule II of the Companies Act 2013. Depreciation on additions/ deletions to/from fixed assets is provided on pro-rata basis from the date the asset is put to use /discarded.



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

ii) Management has estimated the useful life of the assets as under:-

|                           |          |
|---------------------------|----------|
| Buildings (RCC Structure) | 60 years |
| Furniture & Fixture       | 10 years |
| Office equipment          | 5 years  |
| Computer equipment        | 3 years  |
| Vehicles                  | 10 years |
| Computer Server           | 6 years  |

**k) Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**l) Investments**

Investments are all long term, which are stated at cost. Provision for diminution in value thereof, other than temporary in nature, is accounted for.

**m) Taxation**

**i) Current Tax**

Provision for Income Tax is based on assessable profits of the company as computed in accordance with the relevant provision of the Income Tax Act, 1961 for the year ending 31<sup>st</sup> March 2017.

**ii) Deferred Tax**

Deferred Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets on unabsorbed tax losses and tax depreciation are recognized only when there is a virtual certainty of their realization and on other items when there is reasonable certainty of realization. The tax effect is calculated on the accumulated timing differences at the yearend based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

**n) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent Liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in recognition of income that may not be realized in the near future.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO.                           | PARTICULARS   | AS AT 31/03/2017 (Rs.)      | AS AT 31/03/2016 (Rs.) |                             |               |
|------------------------------------|---|-----------------------------|------------------------|-----------------------------|---------------|
| 2                                  | <b>SHARE CAPITAL</b>  |                             |                        |                             |               |
|                                    | Authorised<br>73,00,00,000 Equity shares of Re.1/- each   | <u>730,000,000</u>          | <u>730,000,000</u>     |                             |               |
|                                    | <b>Issued , Subscribed &amp; Paid up Capital</b><br>60,12,43,200 Equity Shares of Re.1/- each fully paid up   | <u>601,243,200</u>          | <u>601,243,200</u>     |                             |               |
|                                    |   | <b>601,243,200</b>          | <b>601,243,200</b>     |                             |               |
|                                    | <p>(a) There is no variation or change in the issued, subscribed and fully paid-up capital structure during the year. therefore, no separate disclosure of reconciliation of the number of equity share outstanding as at the beginning and at the end of the year is required.</p> <p>(b) Shareholders Holding more then 5% shares based on legal ownership in the subscribed share capital of the company is set out below:</p> |                             |                        |                             |               |
|                                    |   | <b>As at March 31, 2017</b> |                        | <b>As at March 31, 2016</b> |               |
|                                    | <b>Name of the shareholder</b>  | <b>No. of Shares</b>        | <b>% held</b>          | <b>No. of Shares</b>        | <b>% held</b> |
| 1                                  | Media Magnetic Cassettes Limited  | <b>60,340,934</b>           | <b>10.04</b>           | <b>60,340,934</b>           | <b>10.04</b>  |
| 2                                  | Risbro Technicals Equipments Pvt. Ltd.  | <b>46,197,954</b>           | <b>7.68</b>            | <b>46,197,954</b>           | <b>7.68</b>   |
| 3                                  | MVL Credits Holdings & Leasing Limited  | <b>127,802,445</b>          | <b>21.26</b>           | <b>127,802,445</b>          | <b>21.26</b>  |
| 3                                  | <b>RESERVES AND SURPLUS</b>   |                             |                        |                             |               |
|                                    | (a) General Reserve   |                             |                        |                             |               |
|                                    | Opening Balances  | 112,719,957                 |                        | 112,719,957                 |               |
|                                    | Add : Provided during the year  | <u>-</u>                    |                        | <u>-</u>                    |               |
|                                    |   |                             | 112,719,957            |                             | 112,719,957   |
|                                    | (b) Capital Reserve   |                             | 109,016,486            |                             | 109,016,486   |
|                                    | (c) Share Premium   |                             | 130,265,776            |                             | 130,265,776   |
|                                    | (d) Surplus/(Deficit) in the Statement of Profit and Loss   |                             |                        |                             |               |
|                                    | Opening Balance   |                             | 704,392,150            |                             | 746,866,416   |
|                                    | Add : Profit / (Loss) for the Year  |                             | (20,394,154)           |                             | (42,593,735)  |
|                                    | Less : Accumulated losses of subsidiary company<br>Parisar Property Pvt. Ltd. which has closed to be a subsidiary w.e.f. 01.04.2015   |                             | -                      |                             | (119,469)     |
| Less : Transfer to General Reserve |   | <u>-</u>                    |                        | <u>-</u>                    |               |
| Closing Balance                    |   | <u>683,997,996</u>          |                        | <u>704,392,150</u>          |               |
|                                    |   | <b>1,036,000,215</b>        |                        | <b>1,056,394,369</b>        |               |





CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO. | PARTICULARS  | AS AT 31/03/2017 (Rs.) | AS AT 31/03/2016 (Rs.) |
|----------|--|------------------------|------------------------|
| <b>4</b> | <b>LONG TERM BORROWINGS</b>  |                        |                        |
|          | <b>Term Loans - Secured</b>  |                        |                        |
|          | Canara Bank<br>(Repayable in 4 Quarterly installments starting from December 2014.)                        | 774,946,344            | 774,946,344            |
|          | UCO Bank<br>(Repayable in 8 Quarterly installments starting from December 2013.)                           | 446,170,718            | 446,170,718            |
|          | Dena Bank<br>(Repayable in 8 Quarterly installments starting from August 2012.)                            | 259,974,516            | 259,974,516            |
|          | Sicom Limited<br>(Repayable in 54 Monthly installments starting from October 2014.)                        | 431,067,696            | 431,067,696            |
|          | IFCI Factors Limited<br>(Repayable in 36 Monthly installments starting from October 2014)                  | 161,814,789            | 161,914,789            |
|          | IFCI Limited<br>(Assigned to CFM-ARC on 18.04.2017 refer Note No. 42 (a) (iii))                            | 488,564,583            | 488,564,583            |
|          | Interest Payable   | -                      | -                      |
|          | <b>From Others</b>   | 250,705                | 1,112,684              |
|          | [Secured against hypothecation of vehicles]  |                        |                        |
|          |  | <b>2,562,789,351</b>   | <b>2,563,751,330</b>   |
|          | <b>Less : Current maturities of Long Term Borrowings included under Note No. 7 "Short Term Borrowings"</b> | <b>2,562,789,351</b>   | <b>2,563,751,330</b>   |
|          |  | -                      | -                      |
| <b>5</b> | <b>OTHER LONG-TERM LIABILITIES</b>   |                        |                        |
|          | Security Received  | 865,064                | 6,107,866              |
|          | Advances Received from Customers   | 942,119,227            | 926,624,714            |
|          |  | <b>942,984,291</b>     | <b>932,732,580</b>     |
| <b>6</b> | <b>LONG-TERM PROVISIONS</b>  |                        |                        |
|          | Provision for Gratuity   | 5,492,389              | 5,018,403              |
|          |  | <b>5,492,389</b>       | <b>5,018,403</b>       |
| <b>7</b> | <b>SHORT-TERM BORROWINGS</b>   |                        |                        |
|          | Current Maturities of Long Term Borrowings (Refer Note 4)  | 2,562,789,351          | 2,563,751,330          |
|          |  | <b>2,562,789,351</b>   | <b>2,563,751,330</b>   |
| <b>8</b> | <b>TRADE PAYABLES</b>  |                        |                        |
|          | For Construction & Purchase  | 96,427,123             | 80,435,298             |
|          |  | <b>96,427,123</b>      | <b>80,435,298</b>      |
| <b>9</b> | <b>OTHER CURRENT LIABILITIES</b>   |                        |                        |
|          | Duties and Taxes Payable   | 5,020,325              | 21,398,167             |
|          | Expenses & Others  | 143,876,024            | 137,636,625            |
|          | Unclaimed Dividend   | 200,027                | 319,447                |
|          |  | <b>149,096,376</b>     | <b>159,354,240</b>     |



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO.  | PARTICULARS                    | AS AT 31/03/2017 (Rs.) | AS AT 31/03/2016 (Rs.) |
|-----------|--------------------------------|------------------------|------------------------|
| <b>10</b> | <b>SHORT-TERM PROVISIONS</b>   |                        |                        |
|           | Provision for Tax              | 19,040,769             | 19,040,769             |
|           | Provision for Bonus            | 2,654,041              | 2,727,542              |
|           | Provision for LTA              | 578,006                | 1,240,692              |
|           | Provision for Leave Encashment | 2,111,892              | 2,217,025              |
|           |                                | <b>24,384,708</b>      | <b>25,226,028</b>      |

Note - 11

| Particulars                         | Gross Block           |                  |                   |                       | Depreciation          |                  |                               |                       | Net Block         |                   |
|-------------------------------------|-----------------------|------------------|-------------------|-----------------------|-----------------------|------------------|-------------------------------|-----------------------|-------------------|-------------------|
|                                     | Cost as on 01-04-2016 | Additions        | Deletion/ Sale    | Cost as on 31-03-2017 | Total upto 01-04-2016 | Current Year     | Adjustment for deletion/ Sale | Total upto 31-03-2017 | As on 31-03-2017  | As on 31-03-2016  |
| <b>(A) Tangible Assets :</b>        |                       |                  |                   |                       |                       |                  |                               |                       |                   |                   |
| LAND                                | 38,353,400            | -                | 38,353,400        | -                     | -                     | -                | -                             | -                     | -                 | 38,353,400        |
| OFFICE BUILDING                     | 21,512,487            | -                | 21,512,487        | -                     | 4,629,380             | 135,232          | 4,764,612                     | -                     | -                 | 16,883,107        |
| VEHICLE                             | 23,916,441            | -                | -                 | 23,916,441            | 12,590,896            | 2,096,441        | -                             | 14,687,337            | 9,229,104         | 11,325,545        |
| PLANT & MACHINERY                   | 3,050,000             | -                | -                 | 3,050,000             | 289,750               | 289,750          | -                             | 579,500               | 2,470,500         | 2,760,250         |
| OFFICE EQUIPMENT                    | 9,046,197             | -                | -                 | 9,046,197             | 6,356,143             | 1,107,333        | -                             | 7,463,476             | 1,582,721         | 2,690,054         |
| COMPUTER                            | 5,144,948             | 87,784           | -                 | 5,232,732             | 4,887,701             | 27,798           | -                             | 4,915,499             | 317,233           | 257,247           |
| COMPUTER SERVER                     | 398,092               | -                | -                 | 398,092               | 228,861               | 49,775           | -                             | 278,636               | 119,456           | 169,231           |
| FURNITURE & FIXTURE                 | 8,426,934             | -                | -                 | 8,426,934             | 3,381,959             | 1,039,935        | -                             | 4,421,894             | 4,005,040         | 5,044,975         |
| <b>TOTAL (A)</b>                    | <b>109,848,499</b>    | <b>87,784</b>    | <b>59,865,887</b> | <b>50,070,396</b>     | <b>32,364,690</b>     | <b>4,746,264</b> | <b>4,764,612</b>              | <b>32,346,342</b>     | <b>17,724,054</b> | <b>77,483,809</b> |
| <b>(B) INTANGIBLE ASSETS</b>        |                       |                  |                   |                       |                       |                  |                               |                       |                   |                   |
| COMPUTER SOFTWARE                   | 234,000               | 52,800           | -                 | 286,800               | 200,375               | 20,151           | -                             | 220,526               | 66,274            | 33,625            |
| <b>TOTAL (B)</b>                    | <b>234,000</b>        | <b>52,800</b>    | <b>-</b>          | <b>286,800</b>        | <b>200,375</b>        | <b>20,151</b>    | <b>-</b>                      | <b>220,526</b>        | <b>66,274</b>     | <b>33,625</b>     |
| <b>(C) CAPITAL WORK IN PROGRESS</b> |                       |                  |                   |                       |                       |                  |                               |                       |                   |                   |
| ASSETS UNDER INSTALLATION           | 8,548,004             | 2,708,955        | -                 | 11,256,959            | -                     | -                | -                             | -                     | 11,256,959        | 8,548,004         |
| <b>TOTAL (C)</b>                    | <b>8,548,004</b>      | <b>2,708,955</b> | <b>-</b>          | <b>11,256,959</b>     | <b>-</b>              | <b>-</b>         | <b>-</b>                      | <b>-</b>              | <b>11,256,959</b> | <b>8,548,004</b>  |
| <b>TOTAL (A)+(B)+(C)</b>            | <b>118,630,503</b>    | <b>2,849,539</b> | <b>59,865,887</b> | <b>61,614,155</b>     | <b>32,565,065</b>     | <b>4,766,415</b> | <b>4,764,612</b>              | <b>32,566,868</b>     | <b>29,047,287</b> | <b>86,065,438</b> |
| Previous Year                       | 118,037,607           | 3,500,453        | 2,907,557         | 118,630,503           | 26,522,047            | 6,783,938        | 740,920                       | 32,565,065            | 86,065,438        | 91,515,560        |



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO.  | PARTICULARS   | AS AT<br>31/03/2017<br>(Rs.) | AS AT<br>31/03/2016<br>(Rs.) |
|-----------|---|------------------------------|------------------------------|
| <b>12</b> | <b>NON-CURRENT INVESTMENTS</b>  |                              |                              |
|           | <b>Equity Shares (Long Term) (Unquoted at cost)</b>                                       |                              |                              |
|           | MVL Constructions Limited<br>9994 Equity shares of Rs. 10/- each                          | 99,940                       | 99,940                       |
|           | MVL Solar Power Limited<br>9700 Equity Shares of Rs. 10/- each                            | 97,000                       | 97,000                       |
|           | MVL Telecom Limited<br>6000000 Equity Shares of Rs. 10/- each                             | 600,000                      | 600,000                      |
|           | Shri Tirupati Balaji Electronics Private Limited<br>571890 Equity Shares of Rs. 10/- each | 5,718,900                    | 5,718,900                    |
|           | <b>Others</b>   |                              |                              |
|           | Investment - Precious Metals  | 2,548,740                    | 3,089,332                    |
|           |   | <b>9,064,580</b>             | <b>9,605,172</b>             |
| <b>13</b> | <b>LONG-TERM LOANS AND ADVANCES</b>   |                              |                              |
|           | Security Deposits   | 1,736,706                    | 2,494,681                    |
|           | Prepaid Expenses  | 1,227,763                    | 1,926,044                    |
|           | Advance Income Tax  | 3,904,517                    | 1,683,592                    |
|           | Advances for Projects (Land)  | 146,970,000                  | 679,775,117                  |
|           | Advances to Contractors & Suppliers   | 796,203                      | 1,060,734                    |
|           |   | <b>154,635,189</b>           | <b>686,940,168</b>           |
| <b>14</b> | <b>OTHER NON-CURRENT ASSETS</b>   |                              |                              |
|           | Interest accrued  | 147,454                      | 681,903                      |
|           |   | <b>147,454</b>               | <b>681,903</b>               |
| <b>15</b> | <b>INVENTORIES</b>  |                              |                              |
|           | Trading Real Estate Project   | 921,877,158                  | 388,602,392                  |
|           | Project Work in Progress (At Cost)  | 1,068,513,903                | 1,060,735,357                |
|           |   | <b>1,990,391,061</b>         | <b>1,449,337,749</b>         |
| <b>16</b> | <b>TRADE RECEIVABLES</b>  |                              |                              |
|           | (Unsecured, Considered good unless otherwise specified)                                   |                              |                              |
|           | Billed Receivables  |                              |                              |
|           | - Due for over six months   | 64,715,525                   | 65,835,390                   |
|           | - Due for less than six months  | -                            | 2,603,969                    |
|           | Unbilled Receivables (Refer Note No. 41)  | 2,770,379,831                | 2,746,334,866                |
|           |   | <b>2,835,095,356</b>         | <b>2,814,774,225</b>         |
| <b>17</b> | <b>CASH AND CASH EQUIVALENTS</b>  |                              |                              |
|           | Cash in Hand and on Imprest   | 829,815                      | 1,948,400                    |
|           | Balance with Scheduled Bank (in Current A/c)  | 11,111,185                   | 7,162,726                    |
|           | FDR's/ Margin Money with Scheduled Banks (Pledged)  | 58,215,926                   | 62,926,311                   |
|           |   | <b>70,156,926</b>            | <b>72,037,437</b>            |
| <b>18</b> | <b>SHORT-TERM LOANS AND ADVANCES</b>  |                              |                              |
|           | (Unsecured, Considered good unless otherwise specified)                                   |                              |                              |
|           | Advance to Contractors & Suppliers  | 3,445,007                    | 10,255,517                   |
|           | Other Advances  | 278,253,747                  | 292,309,656                  |
|           | Other Advances recoverable in cash or in kind of for value to be received                 | 48,181,046                   | 2,148,182                    |
|           |   | <b>329,879,800</b>           | <b>304,713,355</b>           |



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO.  | PARTICULARS                                | For the year ended 31st March 2017 (Rs.) | For the year ended 31st March 2016 (Rs.) |
|-----------|--|--|--|
| <b>19</b> | <b>REVENUE FROM OPERATIONS</b>             |  |  |
|           | Sale of Projects                           | 48,597,131                               | 130,082,322                              |
|           |  | <u>48,597,131</u>                        | <u>130,082,322</u>                       |
| <b>20</b> | <b>OTHER INCOME</b>                        |  |  |
|           | Interest from Customers                    | 25,618,232                               | 28,378,796                               |
|           | Interest from Bank FDR                     | 3,810,019                                | 4,019,432                                |
|           | Profit on Sale on Fixed Assets             | 19,400,725                               | -  |
|           | Misc. Income                               | -  | 208,236                                  |
|           |  | <u>48,828,976</u>                        | <u>32,606,464</u>                        |
| <b>21</b> | <b>COST OF CONSTRUCTIONS / DEVELOPMENT</b> |  |  |
|           | Construction and Land & Development Costs  | 24,686,509                               | 49,292,484                               |
|           | Other Indirect Cost                        | 16,142,642                               | 63,145,470                               |
|           | Total cost upto 31.03.2017                 | <u>40,829,151</u>                        | <u>112,437,954</u>                       |
| <b>22</b> | <b>INCREASE/(DECREASE) IN STOCKS</b>       |  |  |
|           | Opening Stocks                             | 1,449,337,749                            | 1,026,490,877                            |
|           | Closing Stocks                             | 1,990,391,061                            | 1,449,337,749                            |
|           |  | <u>(541,053,312)</u>                     | <u>(422,846,872)</u>                     |
| <b>23</b> | <b>EMPLOYEE BENEFITS EXPENSES</b>          |  |  |
|           | Salary, Allowances & Welfare               | 34,512,294                               | 45,477,495                               |
|           | Bonus                                      | 1,128,152                                | 1,400,117                                |
|           | Contributions to Provident Fund & ESI      | 1,471,198                                | 1,581,864                                |
|           |  | <u>37,111,644</u>                        | <u>48,459,476</u>                        |
| <b>24</b> | <b>FINANCE COSTS</b>                       |  |  |
|           | Bank Charges                               | 365,806                                  | 314,858                                  |
|           | Interest                                   | 530,714                                  | -  |
|           | Hire Purchases Charges                     | 73,549                                   | 204,247                                  |
|           |  | <u>970,069</u>                           | <u>519,105</u>                           |



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

| NOTE NO. | PARTICULARS                    | For the year ended<br>31st March 2017<br>(Rs.) | For the year ended<br>31st March 2016<br>(Rs.) |
|----------|--------------------------------|--|--|
| 25       | <b>OTHER EXPENSES</b>          |  |  |
|          | Advertisement                  | 429,242  | 1,252,148                                      |
|          | Auditors Remuneration          | 718,752  | 715,625  |
|          | Balances Written off           | (9,088,397)                                    | (3,856)  |
|          | Books & Periodicals            | 837,122  | 1,348,480                                      |
|          | Business Promotion             | 4,506,060                                      | 4,575,888                                      |
|          | Conveyance Expenses            | 2,624,020                                      | 3,788,879                                      |
|          | Commission & Brokrage          | 2,230,448                                      | 1,431,020                                      |
|          | Diwali Expenses                | 201,568  | 281,260  |
|          | Electricity Expenses           | 1,181,271                                      | 2,222,378                                      |
|          | Water Expenses                 | 171,362  | -  |
|          | Insurance                      | 235,438  | 194,010  |
|          | Legal & Professional Charges   | 8,816,437                                      | 16,299,108                                     |
|          | Loss on Sale of Fixed Assets   | -  | 1,018,187                                      |
|          | Loss on Sale of Shares         | -  | 165,000  |
|          | Meeting Expenses               | 86,275   | 100,000  |
|          | Misc. Expenses                 | 45,856   | 57,103   |
|          | Membership Fee                 | 305,276  | 315,378  |
|          | Office Expenses                | 6,011,756                                      | 6,638,866                                      |
|          | Postage & Telegram             | 106,066  | 233,846  |
|          | Printing & Stationery          | 311,498  | 751,267  |
|          | Rate, Fee & Taxes              | 2,568,908                                      | 1,416,390                                      |
|          | Rent                           | 14,870,472                                     | 24,870,204                                     |
|          | Repair & Maintenance           | 2,227,153                                      | 1,874,914                                      |
|          | Telephone Exp.                 | 1,592,084                                      | 2,425,473                                      |
|          | Travelling Expenses (Director) | 1,587,840                                      | 1,213,035                                      |
|          | Travelling Expenses (Others)   | 1,071,368                                      | 941,778  |
|          | Watch & Ward                   | 703,458  | 825,768  |
|          | Prior Period Expenses (Net)    | (2,429,805)                                    | (404,005)                                      |
|          |                                | <b>41,921,527</b>                              | <b>74,548,144</b>                              |



**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

**26. Retirement Benefits**

- a) Contributions payable by the Company to the concerned Government Authorities in respect of Provident Fund, Family Pension fund and Employee State Insurance are charged to the statement of profit and loss.
- b) Provisions for gratuity and Leave Encashment are made on actuarial valuation, as per Accounting Standard (AS)-15.

**Defined Benefit Plans**

In respect of Gratuity and Leave encashment as carried out by an independent actuary as at 31<sup>st</sup> March 2017 are as under:-

| S. No.   | Particulars   | Current Year |                  | Last Year   |                  |
|--|---|--------------|------------------|-------------|------------------|
|  |   | Gratuity     | Leave Encashment | Gratuity    | Leave Encashment |
| <b>I Expenses recognized in the statement of Profit and Loss account</b> |   |              |                  |             |                  |
| 1  | Current service cost  | 8,10,813     | 5,62,445         | 8,29,783    | 7,99,859         |
| 2  | Interest cost   | 3,57,812     | 1,58,074         | 4,19,970    | 2,19,946         |
| 3  | Net Actuarial (gain)/losses recognized                          | (2,15,628)   | 1,71,112         | (6,11,525)  | (6,25,833)       |
| 4  | Past service cost   | -            | -                | -           | -                |
| 5  | Settlement cost   | -            | -                | -           | -                |
| 6  | Expenses recognized in the statement of profit and loss account | 9,52,997     | 8,91,631         | 6,38,228    | 3,93,972         |
| <b>II Net Assets/(Liability) recognized in the Balance sheet</b>         |   |              |                  |             |                  |
| 1  | Present value of obligation as at the end of the year           | 54,92,389    | 21,11,892        | 50,18,403   | 22,17,025        |
| 2  | Fair value of Plan assets as at the end of the year             | -            | -                | -           | -                |
| 3  | Funded status [surplus/deficit]                                 | (54,92,389)  | (21,11,892)      | (50,18,403) | (22,17,025)      |
| 4  | Net Liability recognized in balance sheet                       | 54,92,389    | 21,11,892        | 50,18,403   | 22,17,025        |
| <b>III Change in present value of obligation during the year</b>         |   |              |                  |             |                  |
| 1  | Present value of obligation as at the beginning of the year     | 50,18,403    | 22,17,025        | 53,84,234   | 28,19,817        |
| 2  | Acquisition adjustment  | -            | -                | -           | -                |
| 3  | Interest cost   | 3,57,812     | 1,58,074         | 4,19,970    | 2,19,946         |
| 4  | Past service cost   | -            | -                | -           | -                |
| 5  | Current service cost  | 8,10,813     | 5,62,445         | 8,29,783    | 7,99,859         |
| 6  | Settlement cost   | -            | -                | -           | -                |
| 7  | Benefit paid  | (4,79,011)   | (9,96,764)       | (10,04,059) | (9,96,764)       |
| 8  | Actuarial (gain)/loss on obligation                             | (2,15,628)   | 1,71,112         | (6,11,525)  | (6,25,833)       |
| 9  | Present value of obligation as at the end of the year           | 54,92,389    | 21,11,892        | 50,18,403   | 22,17,025        |
| <b>IV Change in the plan value of assets during the year</b>             |   |              |                  |             |                  |
| 1  | Fair value of plan assets at the beginning of the year          | -            | -                | -           | -                |
| 2  | Expected return on plan assets                                  | -            | -                | -           | -                |
| 3  | Contributions   | -            | -                | -           | -                |
| 4  | Benefits paid   | -            | -                | -           | -                |
| 5  | Actuarial Gain/(loss) on plan assets                            | -            | -                | -           | -                |
| 6  | Fair value of plan assets as at the end of the year             | -            | -                | -           | -                |
| <b>Actuarial Assumptions:</b>  |   |              |                  |             |                  |
| 1  | Discount rate   | 7.70%        |                  | 7.70%       |                  |
| 2  | Rate of increase in compensation                                | 10.00%       |                  | 10.00%      |                  |
| 3  | Rate of return on plan assets                                   | -            |                  | -           |                  |
| 4  | Average Outstanding service of Employee's upto retirement       | 26.60 Years  |                  | 24.73 Years |                  |



**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

**27. Accounting Standards**

The Company follows all applicable accounting standards as required under Section 133 of the companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

| Note No. | Particulars   | For the Year Ended 31.03.17 (Rs. in Lacs) | For the Year Ended 31.03.16 (Rs. in Lacs) |
|----------|---|---|---|
| 28       | <b>Contingent Liabilities</b>                           |   |   |
|          | For Bank Guarantees availed                             | 1020.46                                   | 1020.46                                   |
|          | As co-borrower for loans available by Associate Company | 1500.00                                   | 1500.00                                   |
| 29       | <b>Claims not acknowledged as debt</b>                  |   |   |
|          | (a) For Commercial disputes                             | 1856.92                                   | 1264.96                                   |
|          | (b) Statutory dues                                      | 704.46                                    | 1139.32                                   |
| 30       | <b>Auditors Remuneration Covers</b>                     |   |   |
|          | For Statutory Audit & Tax Audit                         | 3.50                                      | 3.50                                      |
|          | For Taxation matters                                    | 1.50                                      | 1.50                                      |
|          | For Other Services and service tax                      | 1.61                                      | 1.58                                      |
| 31       | <b>Directors Remuneration Covers</b>                    |   |   |
|          | Salaries  | 61.66                                     | 59.86                                     |
|          | Sitting fees  | 3.66                                      | 2.04                                      |

| 32. | <b>Earning per Share (EPS)</b>                         |     |      |                             |                             |
|-----|--|-----|------|-----------------------------|-----------------------------|
|     | Particulars  |     | Unit | For the Year Ended 31.03.17 | For the Year Ended 31.03.16 |
|     | Profit attributable to equity share holder (numerator) | "A" | Rs.  | (203.94) lacs               | (425.94) Lacs               |
|     | No. of equity shares at the beginning of the year      |     | Nos. | 60,12,43,200                | 60,12,43,200                |
|     | No of equity shares entitled to share profits.         |     | Nos. | 60,12,43,200                | 60,12,43,200                |
|     | Weighted average no. of equity shares at year end.     | "B" | Nos. | 60,12,43,200                | 60,12,43,200                |
|     | Face Value per Equity Share                            |     | Rs.  | Re.1/-                      | Re.1/-                      |
|     | Basic / Diluted earning per share (A) / (B)            |     | Rs.  | (0.03)                      | (0.07)                      |

33. Previous year figures have been regrouped/rearranged and reclassified wherever necessary to facilitate comparison.
34. Determination of Revenues under 'Percentage of Completion Method' necessarily involves making estimates by management for percentage of completion, projected/ budgeted cost to completion, revenues expected from projects, and foreseeable losses. **These estimates being of technical nature have been relied upon by the auditors as per management representations.**
35. In the opinion of Directors, the current assets, loans and advances including advances for purchase of land have value on realization in the ordinary course of business at least equal to the value at which they are stated in the forgoing Balance Sheet except as otherwise stated.
36. Some of the Debit and credit balances of Trade Receivables, (excluding unbilled receivable) trade and other payables, deposits, advances, bank and financial institutional loans are subject to confirmation and consequent adjustment, if any,



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

arising from subsequent reconciliation. The Management however is of the view that there will be no material adjustment in this regard.

37. Disclosure in respect of Specified Bank Notes (SBN) held and transacted during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December 2016

|                                       | SBNs     | Other denomination Notes | Total     |
|---------------------------------------|----------|--------------------------|-----------|
| Closing cash in hand as on 8.11.2016  | 3,90,000 | 19,29,554                | 23,19,554 |
| (+) Permitted receipts                | Nil      | Nil                      | Nil       |
| (-) Permitted payments                | 1,25,000 | 3,70,655                 | 4,95,655  |
| (-) Amount deposited in Banks         | 2,65,000 | Nil                      | 2,65,000  |
| Closing cash in hand as on 30.12.2016 | Nil      | 15,58,899                | 15,58,899 |

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407 (E), dated 8<sup>th</sup> November, 2016.

38. Penal Interest on loan from banks and financial institutions, if any, payable for accounts declared as NPA by the lenders has not been provided, since the liability for such penal interest is uncertain and is of discretionary nature.
39. As per managements decision during F.Y. 2014-15, it was resolved that no interest be provided w.e.f. 01.04.2014 on bank and institutional loans declared as NPA on which lenders are also not providing interest. The management had then decided to take final call for such liabilities after negotiation and settlement with lenders.

In consequence of the above decision of the management:-

Interest of Rs 26,46,73,186/- (previous year Rs.22,75,35,705/-) being the interest directly related with the projects has not been included in the construction cost of respective projects and interest of Rs. 20,94,67,201/- (Previous year Rs. 18,21,49,868/-) not directly relating to any project, has not been charged to Statement of Profit and Loss during the year. Total liability towards interest on loans from banks and financial institutions not provided in these financial statements during the year is Rs 47,41,40,387/- (previous year Rs. 40,96,85,573/-).

Out of this, Interest amounting to Rs. 26,46,73,186/- (previous year Rs.22,75,35,703/-) directly related with real estate projects was to be expensed as direct project cost, which would have resulted in change in the percentage of completion, as well as escalation of budgeted project cost, on account of inclusion of interest not initially included in the said project cost.

Net effect of non provision of interest on loans from banks and financial institution declared NPA is that :-

- i) Revenue from operation is understated by Rs. 4,49,98,789/- (Previous year Rs. 18,99,09,679/-) arising out of percentage of completion (POC) method of accounting, due to non-capitalization of interest directly attributable to project work-in-progress.
- ii) Loss from operation is understated by Rs. 42,91,41,598/- (Previous year Rs.21,97,75,894/-)
40. a) During the preceeding financial years, the company had mortgaged some of its land parcels situated at Neemrana and Bhiwadi to secure loans availed by its group concern. During the years 2013-14 and 2014-15, the company got the lien lifted on the mortgaged properties on which project development was to be undertaken, by taking over the loan liabilities of the group concern of the value of Rs. 40.00 crore. By virtue of this transaction, the loan liability was shown under the head 'secured loans' whereas the corresponding debit was shown under the head 'Loans and advances to group concerns'.
- b) As on 31.03.2017 advances to Group Companies, amounting to Rs. 2726.34 lacs, (Previous year Rs. 2815.94 lacs) are considered doubtful of recovery for which no provision has been made in these accounts. Interest is not provided on advance of Rs. 64.50 lacs.





**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

41. Trade receivables include Rs. 277.04 crores (Previous year Rs. 274.63 crores) representing unbilled receivables. These debts represent amounts receivable on the basis of sale accounted for, under the Percentage of Completion (POC) method. The recovery of these debts is subject to sale of unsold inventories, completion and delivery of projects.

42. **BANK / FINANCIAL INSTITUTION LOANS**

(a) Following credit facilities are availed by the Company, from Banks and Financial Institutions:-

- (i) Term Loan from Consortium of Canara Bank and UCO Bank secured against first pari passu charge on moveable and immoveable assets situated at MVL IBC-IT Park Sector 35, Gurugram.
  - Further secured against personal guarantee of Managing Director and Corporate Guarantee provided by a group company.
- (ii) Term Loan from Dena Bank secured against first charge on entire assets of MVL Indihome Group Housing Project situated at Bhiwadi.
  - Further secured against personal guarantee of Managing Director.
- (iii) Corporate Loan from IFCI Ltd now assigned to CFM- ARC secured against pledge of equity shares owned by a group company, personal guarantee of Managing Director and Corporate Guarantee of a group company. Further secured against mortgage of flats at Bhiwadi Coral Project.
- (iv) Sicom Ltd secured against first charge on property belonging to a group company including hypothecation of receivables thereupon.
  - Further secured against personal guarantee of Managing Director
- (v) IFCI Factors Ltd secured against flats situated at Bhiwadi Coral Project and pledge of shares owned by a group company.
  - Further secured against personal guarantee of the Managing Director.

(b) **Present Status of Bank / Financial Institution Loans**

- i) 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 also issued notice dated 9.5.2015 under Section 13(2) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs.93.64 crores along with further interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 9.7.2015.
- ii) 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. UCO Bank has also issued notice dated 5.3.2014 under Section 13 (2) of Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) claiming dues of the value of Rs. 40.00 crores along with further interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 06.05.2014.
- 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 also issued notice dated 31.3.2016 under Section 13 (2) 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



## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

- along with further interest up to the date of payment. The issue of notice under SARFAESI Act, 2002 has been challenged by the company vide letter dated 13.05.2016. The Company's proposal for One Time settlement is under consideration of Bank.
- iv) IFCI Ltd had declared the Loan Account as NPA and had 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 application dated 19.12.2012 for recovery of Rs. 49.24 crores along with interest upto the date of payment. IFCI Ltd had also issued notice dated 8.12.2014 under section 13(4) of SARFAESI Act, 2002 claiming their dues. IFCI Ltd has now assigned their debt to CFMARC Trust-2 IFCI as per their letter dated 18-04-2017. As such the liability towards IFCI limited has been transferred in the name of CFM an Asset Reconstruction Company, but no formal assignment agreement has been signed with the company as yet , quantifying the amount of liability taken over, therefore loan is stated in the balance sheet at the amount brought forward from the last year.
- v) Sicom Limited has declared the Loan Account as NPA on 15.4.2015 and has also proceeded under section 13(4) of SARFAESI Act, 2002 claiming their dues of Rs. 47.10 crores against mortgaged 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 .
- 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.
43. Security Exchange Board of India (SEBI) has passed an order dated 19.12.2014 allegedly treating the collection received under the Assured return plan - IBC Gurugram Project, as if, covered under the collective investment scheme in terms of section 11AA of SEBI Act. The company has challenged the said order, requiring the company to refund the total collection. Company's appeal before Securities Appellate Tribunal (SAT) is pending for adjudication.
44. In view of the aforesaid order of SEBI, the company has not provided for interest to the allottees who have booked units in the IBC project under Assured Return Payment plan, on account of force majeure events arising out of the Agreements. Some of the matters are under Arbitration and liability, if any, will be considered after adjudication.
45. Disclosure of Related Party Transactions in accordance with Accounting Standard (AS) - 18 "Related Party Disclosures".
- a) **Key Managerial Personnel (Group – B)**
- |                     |   |                                    |
|---------------------|---|------------------------------------|
| Mr. Prem Adip Rishi | – | Managing Director                  |
| Mr. Rakesh Gupta    | – | Director & Chief Financial Officer |
| Mr. Dhiraj Suri     | – | Vice President Operations          |
- b) **Relatives of Key Managerial Personnel Relative (Group – C)**
- Mr. Arjun Rishi  
Mr. Prem Adip Rishi (HUF)  
Mrs. Anuradha Rishi
- c) **Companies/Parties in which key management Person or their relatives have substantial interest/significant influence (Group – D)**
- Media Holding Pvt. Ltd.  
MVL Credits Holdings & Leasing Ltd.  
Falcon Technosystems Ltd  
Noesis Industries Ltd.  
Risbro Technical Equipment Pvt. Ltd.  
Cardinal Infratech Ltd.



**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

MVL Solar Power Ltd  
 Shri Tirupati Balaji Electronics Pvt.Ltd  
 Parisar Property Developers Pvt. Ltd

Note : - List of related parties has been identified by the management and relied upon by the auditors

Summary of transactions carried out with related parties

(Rs. In Lacs)

| Sl. No. | Nature of Transactions                       | Referred in 45 (b) | Referred in 45 (c) | Referred in 45 (d) | Total For the year ended 31/03/17 | Total For the year ended 31/03/16 |
|---------|--|--------------------|--------------------|--------------------|-----------------------------------|-----------------------------------|
| i.      | Director remuneration & Sitting Fees         | 61.66              | -                  | -                  | 61.66                             | 61.90                             |
| ii.     | Managerial Remuneration & contribution to PF | 13.59              | -                  | -                  | 13.59                             | 15.83                             |
| iii.    | Rent paid                                    | -                  | 92.40              | -                  | 92.40                             | 92.40                             |
| iv.     | Purchase of Fixed assets/ inventories        | -                  | -                  | 1737.67            | 1737.67                           | 3886.02                           |
| v.      | Sale of securities                           | -                  | -                  | -                  | -                                 | 58.81                             |
| vi.     | Advances repaid/given                        | -                  | -                  | 8.74               | 8.74                              | 104.74                            |
| vii.    | Advances Recovered                           | -                  | -                  | 167.17             | 167.17                            | 389.72                            |
| vii.    | Advance Received                             | -                  | -                  | 257.96             | 257.96                            | -                                 |
| viii.   | Corporate Guarantee /Co-borrower liability   | -                  | -                  | 1500.00            | 1500.00                           | 1500.00                           |
| ix.     | Guarantees Availed                           | -                  | 425.00             | 5000.00            | 5425.00                           | 5425.00                           |
| x.      | <b>Year End Balances</b>                     |                    |                    |                    |                                   |                                   |
|         | Receivables                                  | -                  | -                  | 2781.50            | 2781.50                           | 3235.06                           |
|         | Payables                                     | -                  | -                  | 326.60             | 326.60                            | 136.55                            |

46. Disclosure of Guarantees & Securities given during the year in terms of section 186 (4) of the Companies Act, 2013.  
 Guarantee & security provided to Karvy Financial Services Ltd, Mumbai against Rs. 15.00 crores loan availed by MVL Credits Holdings & Leasing Ltd and its subsidiaries. Security provided is 8 Residential Flats situated at project MVL Coral, Bhiwadi. Loans have been availed by these companies for meeting their working capital requirements.
47. Information pursuant to regulation 34(3) and 53(f) of the listing agreement.
- a) There are no loans & advances in the nature of loans to Associate.
- b) Loans and advances in the nature of loans to firms/ companies in which directors are interested:-

| Particulars |                              | Balances (Rs. in Lacs) |                  | Maximum balance during the year (Rs. in Lacs) |                  |
|-------------|------------------------------|------------------------|------------------|---|------------------|
| S. No       |                              | As at 31.03.2017       | As at 31.03.2016 | As at 31.03.2017                              | As at 31.03.2016 |
| 1           | Noesis Industries Limited    | 2661.84                | 2759.43          | 2759.43                                       | 2793.07          |
| 2           | Falcon Technosystems Limited | 64.50                  | 56.51            | 64.50   | 56.51            |

- c) Investment of Noesis Industries Ltd in the shares of parent company represents the shares received as per scheme of Demerger of said company as approved by the Hon'ble High Court of Delhi w.e.f 15.2.2007. There is no other investment by the loanee in the shares of parent company.



**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017**

48. As per the best estimate of the Management, no provision is required to be made in terms of Accounting Standard (AS)-29, in respect of any present obligation as a result of past event that could lead to a probable outflow of resource which would be required to settle the obligation.
49. In respect of advances for projects (Land/ rights) of Rs. 1469.70 lacs (Previous year Rs.6817.72 lacs) included under the head "Long Term Loans and Advances", confirmations and valid supporting agreements have not been provided to the auditors, however the management expects to recover and/ or adjust the said advances against deliveries.
50. During the year Real Estate properties of the value of Rs. 9218.77 Lacs (Previous year Rs. 3886.02 Lacs) have been included as part of Inventory/WIP. For these properties above 80% of the cost has been paid and the said properties are supported with Builder Buyer Agreements, but these properties are not as yet registered in the name of the Company.

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Signature for Note "1" to "50"

As per our report even date

**FOR ARUN KISHORE & COMPANY**

Chartered Accountants

**(ICAI FRN No. : 001898N)**

**For and on behalf of the Board of Directors**

**Sd/-**  
**CA Arun Kishore**  
Partner  
Membership No.10770  
**Place : New Delhi**  
**Date : 8<sup>th</sup> June, 2017**

**Sd/-**  
**(Prem Adip Rishi)**  
Managing Director  
DIN : 00020611

**Sd/-**  
**(Rakesh Gupta)**  
Director & Chief Financial Officer  
DIN : 00020638

**Sd/-**  
**(Monika Agarwal)**  
Company Secretary  
M.NO. : 31258

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## **MVL Limited**

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