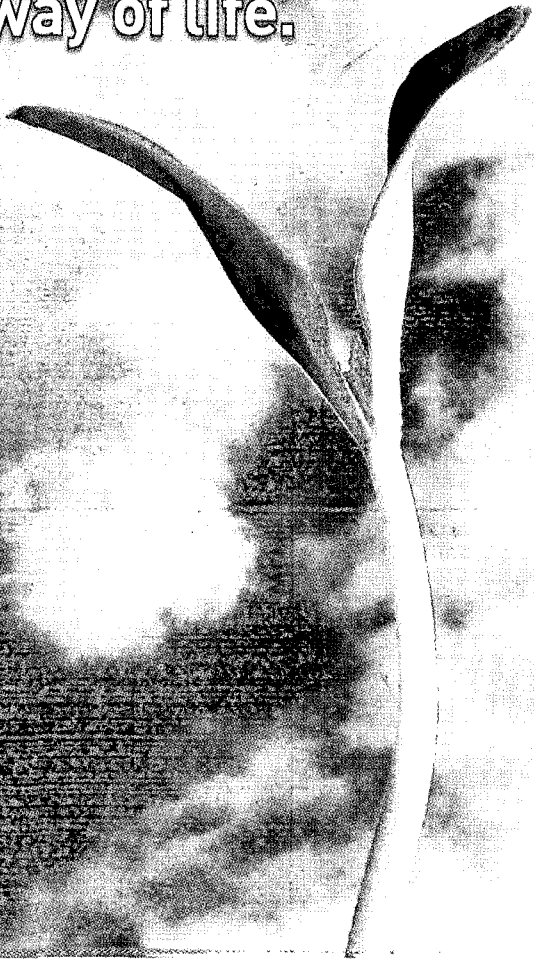


MVL™

M. C. 98

To us, growth is a way of life.



2nd ANNUAL REPORT 2008

MVL Limited

C CONTENTS

MVL Limited

Board of Directors	1
Notice	2
Directors' Report	5
Management Discussion and Analysis	6
Report on Corporate Governance	7
Auditors' Report	13
Balance Sheet	15
Profit & Loss Account	16
Schedules	17
Cash Flow Statement	24
Balance Sheet Abstract and Company's General Business Profile	25

MVL Developers Limited

(Subsidiary Company)

Directors' Report	27
Auditors' Report	28
Balance Sheet	30
Profit & Loss Account	31
Schedules	32
Balance Sheet Abstract and Company's General Business Profile	35

Consolidate Accounts

Auditors' Report	36
Balance Sheet	37
Profit & Loss Account	38
Schedules	39
Consolidated Cash Flow Statement	46

FROM THE CHAIRMAN'S DESK

Dear Shareholders,

To embark on a journey of success one needs the tools of preparedness, foresight and strategy. These lead to the path of growth and high quality operation. Your company is based on firm belief that no matter how adverse the market conditions are, there is always an opportunity to excel if one identifies the requirement of the market.

The year 2008 was a year of resilience. The Indian economy saw many positive indicators even as the global community battled the century's worst economic crisis. Though the beginning of the year witnessed a sharp decline in demand especially in the housing sector due to high costs and equally high interest rates, the government in tandem with RBI gave the industry a shot in the arm by announcing sector-specific relief and stimulus packages. Many of the packages were directly focused on the growing lower and lower-middle income groups, largely ignored so far by all the major developers who were emphasizing on the higher end segment of the society by offering multi-crore high end products and ignoring to provide affordable solutions.

The fiscal year 2008 was a momentous year for MVL Limited. It saw the launch of MVL IndiHomes, Bhiwadi, a project envisioned by the company back in the year 2007. We first propagated the idea of 'affordable housing' for the toiling millions through the country's prominent English mainline daily, The Times of India, in the year 2007, providing a business model catering to the lower segments with low margins and high volumes which can fuel the future growth of the industry. The launch of this product has put forth the resilience of your company. The overwhelming response reposes our faith in our mission to be one of the best managed companies with a high degree of social commitment to deliver projects, which not just deliver a superb financial performance but also improve the quality of life of millions by anticipating future and driving market forces than be driven by them. We are thus encouraged to launch MVL IndiHomes-II in Bhiwadi and at other locations, primarily III tier and IV tier towns, shortly.

The company envisages being a leader in affordable realty solutions in all the verticals. As 360-degree solution provider, MVL also launched MVL India Business Centre or IBC in Gurgaon. This



PREM ADIP RISHI
(Chairman)

'affordable' IT Park targets the start-ups and growing domestic IT companies and offers good investment opportunities for even small investors.

Further, the year also saw the launch and subsequent start of construction of MVL's maiden premium IT space project, MVL iPark. The project adds prestige to the brand as it is situated in the heart of Gurgaon, the IT hub of Northern India and is positioned to be the finest business address in the South of Delhi.

Needless to say, these achievements should be a matter of great pride and satisfaction to us all and have only been possible because of your unwavering support to us.

Looking ahead- in the year 2009, there will be intense competition against the background of a hopefully recovering economy. However your company has the vision and commitment to outperform the peer groups through innovation, quality, competitive pricing and admirable customer relations, armed with excellent corporate governance and management accountability.

MVL constantly strives to enhance the fortunes of all our stakeholders and it shall be my utmost endeavour to develop MVL as company of choice for its employees, customers and investors.

I am confident of your continuing support and commitment to achieve greater heights in the years ahead.

Prem Adip Rishi
Chairman

PROJECT LAUNCHED IN 2006-2007

Integrated Residential Complex at Bhiwadi, Rajasthan. Aply named after the stunningly beautiful natural creations, MVL Coral incorporates the spirit of nature in its true sense. A tastefully planned development of 854 apartments, MVL Coral offers the finest accommodation options and amenities that make living a pleasurable experience.

MVL
CoralTM
An Integrated Residential Complex



Actual picture. Construction in progress.

PROJECTS LAUNCHED IN 2008-2009



With a vision to extend their projects to the masses, MVL progressed from their portfolio of high end residential complexes and IT parks and has launched the first phase of its unique project with 690 units of 2BHK. This budget homes project is titled 'IndiHomes' and is particularly targeted at people with a modest incomes for whom the affordability of a house is a big factor. Located at Bhiwadi, IndiHomes shall have a total of 2200 dwelling units. The company has planned to launch similar projects pan India so that a majority of the people can afford their own home.

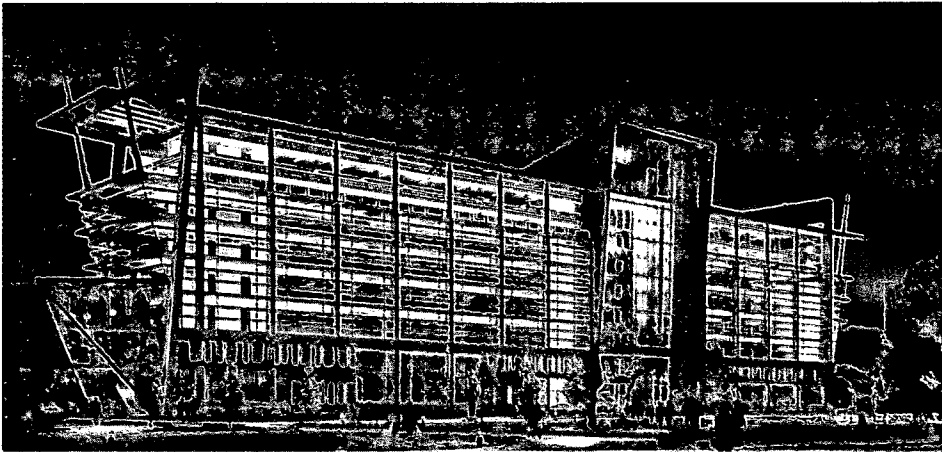
Free power back-up, free car parking, landscaping, community hall, convenience store for shopping etc. are some of the additional features that make it value for money. The project has received an overwhelming response and the 2nd phase will be launched very shortly.

MVL
**INDI
Homes**TM
अपने बजट में, अपना घर.

PROJECTS LAUNCHED IN 2008-2009

One of the finest business addresses in Gurgaon, MVL iPark, is a specialised, ultra modern office complex for IT companies. The project is in close proximity to both the international and domestic airports as well as top class hotels. The project will be ready for fit-out by August 2009.

iPark
The Business Address



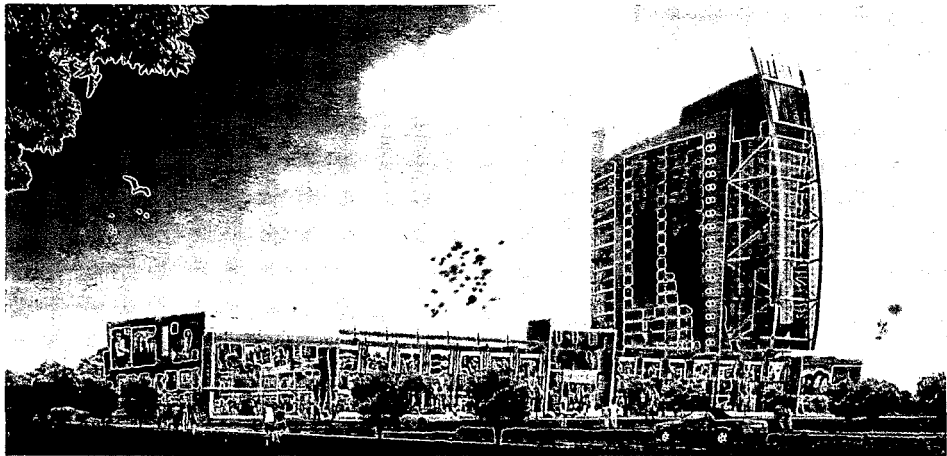
A vision to provide affordable business space, led MVL to launch its second IT Park-India Business Centre (IBC) in Gurgaon. This state of the art business centre is located just 500 mtrs. from NH8 in Gurgaon and is in close proximity to the upcoming Metro station. This IT Park is targeted at start-ups and growing domestic IT companies and offers good investment opportunities for small investors as well.

IBC
India Business Centre

UPCOMING PROJECTS IN 2009



The company plans to develop a luxury home cum spa and golf resort of international standards. The project shall be launched in two phases. The first phase shall have a 5 star deluxe luxury spa resort for the discerning few and will feature only the finest spa facilities coupled with exclusive opulent villas. The second phase shall include a golf course and resort for the travel connoisseur seeking a perfect blend of relaxation and romance.



It is a township project spread over 124 acres in Yamunanagar, an industrial town just three and half hours away from Delhi. This township will incorporate lifestyle villas, plotted developments, high-rise apartments, shopping malls, hotels and a lot more. It will be a self-sufficient, high quality township aimed at revolutionising lifestyles.

Rivercity
Integrated Township

BOARD OF DIRECTORS

Mr. Prem Adip Rishi	Chairman
Mr. Praveen Kumar	Whole Time Director
Mr. Rakesh Gupta	Director
Mr. Vinod Malik	Director
Mr. Vinod Kumar Khurana	Director
Mr. Vijay Kumar Sood	Director
Mr. Krishna Kumar	Director
M/s Arun Kishore & Co. Chartered Accountants, New Delhi	Statutory Auditors
Mr. Sushil Aggarwal	Vice President (Legal) & Company Secretary

Bankers

Allahabad Bank
Canara Bank
HDFC Bank
Punjab National Bank
UCO Bank

Registered Office

B-86/1, Okhla Industrial Area
Phase-II, New Delhi-110020

Corporate Office

Tower-A, Ground Floor,
Millennium Plaza
Sector-27, Sushant Lok,
Gurgaon (Haryana)

NOTICE

Notice is hereby given that the 2nd Annual General Meeting of the Members of MVL Limited will be held on Monday, 29th June, 2009 at 11.30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st December, 2008 and Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st December, 2008.
3. To appoint a Director in place of Mr. Prem Adip Rishi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rakesh Gupta who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

6. **To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:**

“Resolved that Mr. Krishna Kumar, who was appointed as an Additional Director with effect from 20th July, 2008 by the Board of Directors in its Meeting held on that date and who holds office of Director upto the date of this Annual General Meeting under the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his candidature for the office of Director, be and is hereby appointed as Director, whose term of office shall be liable to determination by retirement of Directors by rotation.”

7. **To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:**

“Resolved that Mr. Vinod Malik, who was appointed

as an Additional Director with effect from 1st August, 2008 by the Board of Directors in its Meeting held on that date and who holds office of Director upto the date of this Annual General Meeting under the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his candidature for the office of Director, be and is hereby appointed as Director, whose term of office shall be liable to determination by retirement of Directors by rotation.”

8. **To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:**

“Resolved that Mr. Vijay Kumar Sood, who was appointed as an Additional Director with effect from 22nd September, 2008 by the Board of Directors in its Meeting held on that date and who holds office of Director upto the date of this Annual General Meeting under the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his candidature for the office of Director, be and is hereby appointed as Director, whose term of office shall be liable to determination by retirement of Directors by rotation.”

9. **To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:**

“Resolved that pursuant to the provisions of Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Mr. Arjun Rishi, a relative of Mr. Prem Adip Rishi, Chairman of the Company to hold an office or place of profit as Executive Operation of the Company with effect from 01.07.2008 on the following terms and conditions:

- i. Salary: Rs.17,000/- (Rupees Seventeen Thousand Only) per month.

- ii. House Rent Allowance of Rs. 8,500/- (Rupees Eight Thousand Five Hundred Only) per month.
- iii. Conveyance Allowance of Rs. 6,000/- (Rupees Six Thousand Only) per month.
- iv. City Compensatory Allowance of Rs.2,500/- (Rupees Two Thousand Five Hundred Only) per month.
- v. Medical Allowance of Rs. 7,168/- (Rupees Seven Thousand One Hundred Sixty Eight Only) per month.
- vi. Leave Travel Allowance of Rs. 1,416/- (Rupees One Thousand Four Hundred Sixteen Only) per month.
- vii. Bonus of Rs. 1,416/- (Rupees One Thousand Four Hundred Sixteen Only) per month.
- viii. Allowance of Rs. 5000/- (Rupees Five Thousand Only) per month.
- ix. Any other benefits, facilities or perquisites as may be allowed to other employees under Company's Rules."

Resolved further that the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the resolution and to settle any questions, difficulties or doubts that may arise in this regard."

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

New Delhi
2nd June, 2009

Sd/-
(Prem Adip Rishi)
Chairman

Notes:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself. Such a proxy need not be a member of the Company.**
2. **The enclosed proxy form, if intended to be used, should be returned duly filled, stamped and**

authenticated at the Registered Office of the Company not less than 48 hours before the scheduled time of the Meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 20th June, 2009 to 29th June, 2009 (both days inclusive).
4. The Dividend on equity shares as recommended by Board of Directors and if declared, at the meeting will be payable to those shareholders whose names appear in the Register of members of company as on Friday, 19th June, 2009 and in respect of shares held in electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of the business hours on Friday, 19th June, 2009.
5. Members are requested to inform immediately any change in their registered address to the Company at its registered office.
6. The Company has entered into agreement with NSDL and CDSL for dematerialisation of shares. Members who still hold the shares of the Company in the physical form are advised to have their holdings dematerialized in their own interest through authorized depository participant.
7. Members are requested to bring their copies of Annual Report to the meeting.
8. The explanatory statement pursuant to section 173(2) of Companies Act, 1956 is annexed hereto.
9. **Appointment/ Re-appointment of Director(s):**
Pursuant to the provisions of Articles of Association, Mr. Prem Adip Rishi and Mr. Rakesh Gupta are retiring by rotation at the ensuing Annual General Meeting of the Company and shall be re-appointed. Mr. Krishna Kumar, Mr. Vinod Malik and Mr. Vijay Kumar Sood who were appointed as Additional Directors will hold office upto ensuing Annual General Meeting. However, they will be re-appointed as Directors liable to retire by rotation in said Annual General Meeting. The brief resumes of such Directors and other information as per Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Report on Corporate Governance.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 6**

Mr. Krishna Kumar was appointed as an Additional Director with effect from 20th July, 2008 by the Board of Directors of the Company in the Meeting held on that date. Mr. Krishna Kumar was appointed in the capacity of Non-Executive and independent Director. In terms of Section 260 of the Companies Act, 1956, he holds office only upto the date of this Annual General Meeting.

The Board of Directors is of the opinion that the continued presence of Mr. Krishna Kumar on the Board is desirable and would be beneficial to the Company and hence recommends the passing of above resolution as an Ordinary Resolution.

None of the Directors except Mr. Krishna Kumar are in anyway concerned with or interested in the resolution.

ITEM NO. 7

Mr. Vinod Malik was appointed as an Additional Director with effect from 1st August, 2008 by the Board of Directors of the Company in the Meeting held on that date. Mr. Vinod Malik was appointed in the capacity of Non-Executive and Independent Director. In terms of Section 260 of the Companies Act, 1956, he holds office only upto the date of this Annual General Meeting.

The Board of Directors is of the opinion that the continued presence of Mr. Vinod Malik on the Board is desirable and would be beneficial to the Company and hence recommends the passing of above resolution as an Ordinary Resolution.

None of the Directors except Mr. Vinod Malik are in anyway concerned with or interested in the resolution.

ITEM NO. 8

Mr. Vijay Kumar Sood was appointed as an Additional Director with effect from 22nd September, 2008 by the Board of Directors of the Company in the Meeting held on that date. Mr. Vijay Kumar Sood was appointed in the capacity of Non-Executive and Independent Director. In

terms of Section 260 of the Companies Act, 1956, he holds office only upto the date of this Annual General Meeting.

The Board of Directors is of the opinion that the continued presence of Mr. Vijay Kumar Sood on the Board is desirable and would be beneficial to the Company and hence recommends the passing of above resolution as an Ordinary Resolution.

None of the Directors except Mr. Vijay Kumar Sood are in anyway concerned with or interested in the resolution.

ITEM NO. 9

Mr. Arjun Rishi who has been selected by your Board of Directors to hold the position of an Executive Operations of the Company at a salary of Rs. 49000/- p.m. is a relative of Mr. Prem Adip Rishi, Director of your Company. Sub-section (1) of Section 314 of the Companies Act, 1956, provides that no relative, etc. of a Director should either hold or continue to hold any office or place of profit in the Company which carries a total monthly remuneration of not less than Rs. 10,000/-, except with the prior consent of the Company by a Special Resolution.

Mr. Arjun Rishi who happens to be relative of a Director, is holding a degree in Bachelor in Science and Business Management from Stony Brook University, New York, U.S.A. He is having a very rich and successful career in front of him. Your Directors were of the view that inclusion of Mr. Arjun Rishi in operational level will be beneficial to the Company.

However, due to his some immediate commitments and preoccupation, he had resigned on 31/12/2008.

Your Directors recommend the resolution for your approval.

None of the Directors, except Mr. Prem Adip Rishi, is directly or indirectly interested in the aforesaid resolution.

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

**New Delhi
2nd June, 2009**

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

DIRECTORS' REPORT

To the Members

Your Directors have immense pleasure in presenting the 2nd Annual Report and Audited Statement of Accounts of the Company for the year ended 31st December, 2008.

FINANCIAL RESULTS

Particulars	(Rs. In lacs)	
	Year ended 31.12.2008	Year ended 31.12.2007
Total Income	12038.91	9678.98
Profit Before Tax	1768.74	1973.02
Profit after prior adjustment	1239.26	-
Less: Provision for Tax	336.49	255.39
Profit After Tax	902.77	1717.63
Profit available for appropriation	2120.41	1717.63
Appropriation: -		
Proposed Dividend on Equity Shares	263.82	-
Provision for Dividend Tax	44.84	-
Transfer to General Reserve	200.00	500
Balance Carried Forward	1611.75	1217.63

DIVIDEND

The Board of Directors have recommended a dividend of Rs. 0.50 per share for the year ended 31st December, 2008, subject to approval of shareholders. The dividend is free of tax in the hands of shareholders.

LISTING OF SHARES

During the year under review, pursuant to Scheme of Arrangement under section 391-394 of the Companies Act, 1956 as approved by the Hon'ble High Court of Delhi vide its order dated 13th September, 2007, the 5,27,64,649 equity shares of your Company got listed on the National Stock Exchange of India Limited (NSE) vide their letter no. NSE/LIST/76785-K dated June 26, 2008 and on the Bombay Stock Exchange Limited (BSE) vide their letter no. DCS/AMAL/PVN/TRD/375/2008-09 dated June 27, 2008 effective from Monday, June 30, 2008 to enable to all of you to trade in the securities of the Company.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENT

The Company has its one wholly owned Subsidiary, namely MVL Developers Limited. The results of MVL Developers Limited are attached to this Report along with the Statement specified in Section 212 of the Companies Act, 1956. The Company is also presenting its Audited Consolidated Financial Statements, which form part of the Annual Report as required by the Listing Agreement with the stock exchanges.

MVL Constructions Limited, which was one of the Subsidiary Company of the Company, has ceased to be a Subsidiary Company w.e.f. 31.12.2008.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Prem Adip Rishi and Mr. Rakesh Gupta, Directors of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Further, during the year under review, two directors namely, Mr. Vijay Kumar Sood and Mr. Anukool Rishi resigned from the directorship of the company w.e.f. 01.07.2008 and 31.01.2009 respectively. Two new Directors Mr. Krishna Kumar and Mr. Vinod Malik were inducted in the Board w.e.f. 20.07.2008 and 01.08.2008 respectively.

Further, Mr. Vijay Kumar Sood again inducted in the Board w.e.f. 22.09.2008.

In respect of each Director being re-appointed/ appointed, the Company has received notices in term of Section 257 of the Companies Act, 1956 from various members signifying their intention to propose their candidature for the office of Directors of the Company.

Brief resumes of Directors proposed to be so appointed/ reappointed, 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 and also in the explanatory statement to the resolutions proposing their appointment, as set out in the notice calling the Annual General Meeting, both of which form an integral part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state and confirm as under:

- That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- That appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year as on 31st December, 2008 and the Profit of the Company for that period;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual accounts have been prepared on a going concern basis.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE

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

FIXED DEPOSITS

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

AUDITORS

M/s. Arun Kishore & Co., Chartered Accountants, New Delhi, the Statutory Auditors, retire at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office if reappointed. They have furnished a certificate stating that their re-appointment would be within the limits specified under section 224(IB) of the Companies Act, 1956.

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

AUDITORS' REPORT

The Auditors' Report to the members together with Audited Accounts for the year ended 31st December, 2008 and notes thereon are attached, which are self-explanatory except their remark regarding unconfirmed balances, to which the board provides the following explanation:

Unconfirmed balances: Company has its own internal Audit system to monitor the reconciliation periodically, hence, confirmation of all outstanding balances at the year end are not taken.

PARTICULARS OF EMPLOYEES

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

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNING AND OUTGO

There was no Foreign Exchange Earnings during this financial year. However, there was outgo of Foreign Exchange to the tune of Rs.12,94,000/- on account of foreign travel.

ACKNOWLEDGEMENT

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

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

By Order of the Board of Directors
For MVL Limited

Sd/-
(Prem Adip Rishi)
Chairman

New Delhi
2nd June, 2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian real estate sector plays a significant role in the country's economy and it is second only to agriculture in terms of employment generation and contributes heavily towards the Gross Domestic Product (GDP). Almost five percent of the country GDP is contributed to by the housing sector.

Real estate sector is also responsible for the development of over 250 ancillary industries such as cement, steel, paints etc. The reserve bank of India has planned to start a Residex, an index to benchmark the housing sector and expected to serve as an indicator of property prices. Data in this respect is expected to be published by March, 2010.

About 80 percent of real estate development in India is residential space and rest comprising of offices, shopping malls, hotels and hospitals. Over the next 10-15 year, 80 to 90 million housing dwelling units will have to be constructed with majority of them catering to middle and lower income groups.

Affordable Housing in India has become the new mantra for everyone related to the realty sector in the country. From buyers to the sellers to the realtors and investors, everyone is pitching for affordable quality homes in India in the view of the huge unmet demand for affordable housing in the country.

1. Business Overview

MVL Limited (MVL) poised to become one of the leading Real Estate Development Company with focus on construction and development of residential as well as commercial property. At present the company is developing Group Housing, Townships, Malls, IT Park and Hotel Projects.

2. Strengths

Real estate sector is second larger employment generator next to agriculture in India. Private sector participation is increasing day by day to meet the demand of real estate projects.

Currently the Company is developing township project in Yamuna Nagar, two Group Housing Project in Bhiwadi, Rajasthan, two IT Project in Gurgaon, a Hotel Project in Gurgaon and Spa and Golf resort hotel cum homes project in Neemrana, Rajasthan. The Company has launched its maiden affordable housing project MVL Indi Homes in Bhiwadi with price range of Rs. 9.38 lacs to Rs. 11.38 lacs for two bed room apartment and is planning to develop similar projects across India.

3. Opportunities and Threats

There are huge opportunities available in emerging real estate market in India. The government has been supportive

by bringing reforms in the industry which should open up more avenue of growth. According to various studies, continuing housing boom should sustain along with growing demand for retail and commercial space in the coming years.

The procedural delay from government department for granting approvals can result in cost escalation in the project. Further, lack of external development facilities which are sole domain of the government may affect the project.

4. Adequacy of Internal Control Systems

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 other 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 Audit Committee on a regular basis. Your Company's Statutory Auditors have, in their report, confirmed the adequacy of the internal control procedures.

5. Material Development in Human Resources and Industrial Relation

The company lays lot of importance on manpower rationalization and efficiency improvement. The company believes that human resources are vital resources for giving the company a competitive edge in the current business environment. Company strictly follows the philosophy of congenial work environment, performance oriented work culture, knowledge, skill building, creativity and responsibility and performance based compensation. Action has been taken to develop and enhance the skills of human resource.

6. Cautionary Statement

Statement 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 plan, projections and expectations may constitute forward looking statement 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)
Chairman**

**New Delhi
2nd June, 2009**

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 a 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 seven which besides Chairman & Managing Director, comprise of one Executive Director and five Non-Executive Directors. The Composition of the Board is in conformity with the Listing Agreement. No Director is a member of more than 10 committees or acts as chairman of more than 5 committees across all companies in which he is a Director.

a) Composition of the Board of Directors

Name of Directors	Designation	Category (Independent/ Non-executive/ executive)	*Number of Directorships held in other Companies	# Number of Board Committee membership/ chairmanship held in other companies	
				Chairman	Member
Mr. Prem Adip Rishi	Chairman	Promoter Non-Executive Director	7	1	—
Mr. Praveen Kumar	Whole-time Director	Executive Director	—	—	—
Mr. Rakesh Gupta	Director	Non-Executive Director	4	—	2
Mr. Anukool Rishi**	Director	Non-Executive Director	6	—	—
Mr. Vijay Kumar Sood	Director	Non-Executive Independent Director	1	—	—
Mr. Vinod Kumar Khurana	Director	Non-Executive Independent Director	—	—	—
Mr. Krishna Kumar	Director	Non-Executive Independent Director	4	—	2
Mr. Vinod Malik	Director	Non-Executive Independent Director	—	—	—

* Number of directorships in other companies excludes directorships held in private limited companies.

The Committees considered for the purpose are those prescribed under Clause 49 of the Listing Agreement(s).

** Mr. Anukool Rishi resigned on 31/01/2009.

b) Attendance Record of Directors

Name of the Directors	No. of Board meetings held	No. of Board meeting attended	Whether attended last AGM held on 16-04-2008
Mr. Prem Adip Rishi	14	14	No
Mr. Praveen Kumar	14	14	Yes
Mr. Rakesh Gupta	14	14	Yes
Mr. Anukool Rishi*	14	14	Yes
Mr. Vijay Kumar Sood	14	10	Yes
Mr. Vinod Kumar Khurana	14	10	No
Mr. Krishna Kumar*	14	6	No
Mr. Vinod Malik*	14	5	No

* Mr. Krishna Kumar and Mr. Vinod Malik were appointed as additional directors of the company on 20.07.2008 and 01.08.2008, respectively. Mr. Vijay Kumar Sood resigned from Directorship on 01/07/2008. However, he was again re-appointed as additional director on 22/09/2008. Mr. Anukool Rishi resigned from Directorship on 31/01/2009.

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, 14 Board Meetings were held on various dates as per details given below:-

31.01.2008	18.03.2008	30.04.2008	09.06.2008	18.06.2008	21.06.2008
20.07.2008	29.07.2008	01.08.2008	21.08.2008	22.09.2008	31.10.2008
03.12.2008	16.12.2008				

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

i) **Mr. Prem Adip Rishi**, aged 55 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. Presently he is Chairman of the Company.

ii) **Mr. Rakesh Gupta**, aged 44 years is a Fellow member of The Institute of Chartered Accountants of India. He has over 20 years of vast experience in finance, accounts, taxation and commercial matters. He is responsible for all financial, banking, accounting, taxation and day to day commercial operations of the Company.

iii) **Mr. Krishna Kumar** aged 67 years is a Graduate in Civil Engineering. He has been a merit holder in his academic career. He has vast experience of more than 40 years in various fields of Civil Engineering and had long association with C.P.W.D. He has also rendered consultancy services to various departments and various institutions and has been a renowned faculty.

iv) **Mr. Vinod Malik**, aged 66 years is retired as IPS Officer and he has to his credit around 42 years of experience in various senior Government positions. He is an expert in the law of Human Resource, Management & Development, General Administration, Dealing with Economic and Financial Frauds, Crisis Management, etc.

v) **Mr. Vijay Kumar Sood**, aged 64 years is holding B.E. (Telecommunications) degree from B.I.T.S., Pilani. He was formerly the fellow of the Institute of Electronics and Telecommunication and was also a senior Cambridge from St. Georges College, Mussorie. He has to his credit over 30 years of vast experience in various companies.

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

Mr. Rakesh Gupta, Non-Executive Directors was holding 10,040 equity shares of the company on 31.12.2008.

f) Relationship between Directors inter-se

Mr. Prem Adip Rishi, Chairman of the Company and Mr. Anukool Rishi, Director of the Company are related to each other.

3. Board Committees

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

- Audit Committee
- Share Transfer cum Demat Committee
- Shareholders Grievance Redressal Committee.
- Remuneration Committee

a) Audit Committee

The Audit Committee was constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges.

The Audit Committee would assure to the Board, adherence

of adequate internal control and financial disclosure and other acts confirming to the requirements of Listing Agreement with the Stock Exchanges.

Presently, Audit Committee comprising two non-executive and independent directors and one non-executive director viz. Mr. Vijay Kumar Sood, Mr. Rakesh Gupta and Mr. Vinod Kumar Khurana. Company Secretary of the Company is the Secretary of the Committee. All members of the Audit Committee has financial knowledge. The constitution of the Audit Committee meets with the requirements under section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

Five meetings of the Audit Committee were held on 31.01.2008, 18.03.2008, 30.04.2008, 29.07.2008 and 31.10.2008.

The attendance at the Audit Committee:

Name of the Member	Designation	No. of meetings held	No. of meetings attended
Mr. Vijay Kumar Sood	Chairman	5	5
Mr. Rakesh Gupta	Member	5	5
Mr. Vinod Kumar Khurana	Member	5	5

b) Share Transfer cum Demat Committee

Your Company has a Share Transfer cum Demat Committee comprising Mr. Rakesh Gupta, Mr. Prem Adip Rishi and Mr. Praveen Kumar. All shares received for transfer or dematerialization, as the case may be, were approved and registered within the prescribed time period, otherwise the letters were sent for correction of errors or other discrepancies found. As on the year end i.e. 31.12.2008, there was no case of pending request for transfer or dematerialization beyond the stipulated time.

The details of meetings of Share Transfer cum Demat Committee:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Rakesh Gupta	24	24
Mr. Prem Adip Rishi	24	24
Mr. Praveen Kumar	24	24

c) Shareholders Grievance Redressal Committee

Your company has also constituted Shareholders Grievance Redressal Committee to look into Shareholders' grievances and complaints and to resolve them satisfactorily and improve the quality of investor services.

Mr. Rakesh 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.

The Committee met four times during current year on 31.03.2008, 30.06.2008, 30.09.2008 and 31.12.2008, to review all investor grievances and ensure their speedy

redressal. All the complaints received during the year under review regarding non-receipt of share certificates etc. were resolved.

The attendance at the Shareholders Grievance Redressal Committee meetings is given below:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Rakesh Gupta	4	4
Mr. Prem Adip Rishi	4	4
Mr. Praveen Kumar	4	4

d) Remuneration Policy and Remuneration Committee

The Remuneration Committee of the Company comprises of one non-executive and independent and two non-executive directors viz. Mr. Vijay Kumar Sood (Chairman), Mr. Prem Adip Rishi and Mr. Rakesh Gupta, respectively and Company Secretary of the Company is the Secretary of the Committee. During the year no remuneration committee meeting was held.

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. However, Mr. Prem Adip Rishi is getting commission @ 1% of Net Profit of the Company, which was approved by the shareholders at the Annual General Meeting held on 16th April, 2008.

4. General Body Meetings

The particulars of the : **Present Annual General Meeting** last three Annual **is the 2nd Annual General Meeting** General meetings **of the Company.**
Particulars of 1st Annual General Meeting:-

Year	Date	Time	Location	Special resolution
2006-07	16.04.08	01.00 P.M.	Air Force Auditorium, Subroto Park, New Delhi-10	1. Appointment of Whole-time Director U/s 198, 269, 309, 310 and 311 read with Schedule XIII. 2. Alteration of Articles of Association under section 31. 3. Payment of commission to Director under section 309(4).

Note: All special resolutions were passed by show of hands.

The particulars of resolution passed through Postal Ballot:

Year	Date	Location	Special resolution
2007-2008	31.07.2008	B-86/1, Okhla Industrial Area, Phase-II, New Delhi-110020	Realtg to Borrowing Power U/s 293 (1) (a)

5. Details of Directors Remuneration

a. Salaries	12.87 lacs
b. Sitting Fees	0.96 lacs
c. Commission	12.39 lacs

6. Disclosures

a. Disclosure on materially significant Related Party Transactions

Details of materially significant related party transactions made during the year are contained in Schedule 'P' to annual accounts which form a part of the Annual Report.

b. Disclosure on non-compliance on any matter related to capital markets during 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 year. Since incorporation (Since the company was incorporated on 18.10.2006 the details of last three years are not applicable). The Investor's complaints received through SEBI/ Stock Exchanges have been resolved in due course.

c. Whistle Blower Policy

At MVL there is in place, a highly effective Whistle Blower Policy, which sets out the process and mechanism whereby employees at various levels in the organization can bring to the notice of the management, any violations of the applicable laws, rules and regulations and also any unethical or unprofessional conduct.

All such reports are taken up for consideration at appropriate intervals depending upon the gravity of the matter reported. Adequate rectifying measures are thereupon initiated in the right earnest, at the appropriate level.

In order to encourage the employees to freely air their views and voice their concerns on various matters and to prevent any victimization of the employees is kept strictly confidential.

It would be important to mention here that Audit Committee set up by the Board, constitutes a vital component of Whistle Blower mechanism and instances of financial misconduct if any, are reported to the Audit Committee. No employee is denied access to the Audit Committee.

d. Means of Communications

The Annual, Half yearly and Quartely Results are submitted to the Stock Exchanges in accordance with Listing Agreements and are normally published in English in Business Standard and in Hindi in Business Standard.

7. General Shareholders' Information

(a) Annual General Meeting

Date	29 th June, 2009
Day	Monday
Time	11:30 A.M.
Venue	Air Force Auditorium, Subroto Park, New Delhi-110010

(b) **Dividend** : Board of Directors recommended dividend on equity shares @ Rs. 0.50 per share.

(c) **Financial Calendar: 1st January 2009 to 31st December, 2009**

Results for the Quarter ending 31 st March, 2009	Last week of April, 2009
Results for the Quarter ending 30 th June, 2009	Last week of July, 2009
Results for the Quarter ending 30 th September, 2009	Last week of Oct., 2009
Results for the Quarter ending 31 st December, 2009	Last week of January, 2010
Annual General Meeting for the year ending December, 2009	Last week of June, 2010

(d) **Book Closure Date** 20th June, 2009 to 29th June, 2009 (both days inclusive)

(e) 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

(f) **Annual Listing Fee** Paid to the Stock Exchanges for the year 2008-09

(g) **ISIN Number for NSDL & CDSL** INE744I01018

(h) Stock Price Data

Month	National Stock Exchange		Bombay Stock Exchange	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
June 2008	130.00	44.00	127.90	45.00
July 2008	113.75	60.25	113.85	63.00
August 2008	96.30	77.00	92.90	78.50
September 2008	101.20	69.05	101.00	69.60
October 2008	84.75	51.00	83.90	51.10
November 2008	71.00	30.00	77.00	30.25
December 2008	50.60	32.85	51.00	33.15

Source: www.nseindia.com Source: www.bseindia.com

Note: Shares of the Company were listed on 30.06.2008 on NSE and BSE.

(i) Distribution of Shareholding/ Shareholding Pattern as on 31/12/2008
Distribution Schedule

Shareholding of Nominal Value of Rs.	No. of Shareholders	No. of Equity Shares		
		Total	% of total shareholders	
1 - 5000	12337	99.26	1561796	2.96
5001 - 10000	29	0.23	213323	0.40
10001 - 20000	12	0.10	160676	0.31
20001 - 30000	4	0.03	100045	0.19
30001 - 40000	4	0.03	143891	0.27
40001 - 50000	3	0.02	148248	0.28
50001 - 100000	7	0.06	610921	1.16
100001 and above	33	0.27	49825749	94.43
TOTAL	12429	100.00	52764649	100.00

Shareholding Pattern

Category	No. of shares	% of Shareholding
(A) Promoters	3,61,12,774	68.44
(B) Public Shareholding		
(a) Institution	4,960	0.01
i. Mutual Funds/ UTI	720	0.00
ii. Financial Institutions/ Banks		
(b) Non-Institution		
i. Bodies Corporate	1,49,01,298	28.24
ii. Individuals	17,05,280	03.24
iii. Clearing Member	581	00.00
iv. Any Other (NRIs/ OCBs)	39,036	00.07
Grand Total (A+B+C)	5,27,64,649	100.00

(j) Shares Transfer System

The shares of the company are tradable compulsorily in demat form and will be 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.

(k) 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 INE744I01018. As on 31st December, 2008, 1,18,70,910 Equity Shares constituting 22.50% of total Equity of the Company were held in dematerialized form with both the depositories namely NSDL and CDSL.

(l) Outstanding GDRs / ADRs/ Warrants etc.

The Company has no outstanding GDRs/ADRs/Warrants etc.

(m) Registrar and Share Transfer Agent

Alankit Assignments Limited,
'Alankit House'
2E/21, Jhandewala Extension,
New Delhi-110055.
Ph: 42541234, 23541234
Fax: 91-11-42541967
E-mail: info@alankit.com

(n) Investors' correspondence can also be addressed to

Mr. Sushil Aggarwal
Vice President (Legal) & Company Secretary
MVL Limited,
B-86/1, Okhla Industrial Area, Phase-II,
New Delhi – 110020.
Ph: 41613145-47
Fax: 91-11-26385832
E-mail: investors@mvl.in

(o) CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, the CEO/ CFO certification is given in the Annual report.

(p) Compliance of Code of Conduct

Your Company has laid down a Code of Conduct for all Board Members and senior Management as stipulated in Clause 49 l.(D) of the Listing Agreement. All Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st December, 2008. The declaration signed by Mr. Prem Adip Rishi, Chairman is given hereunder: -

Declaration under Clause 49 1(D) of Code of Conduct

As per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

I, Prem Adip Rishi, Chairman 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
Sd/-**

**New Delhi
2nd June, 2009**

**Prem Adip Rishi
Chairman**

CEO/CFO CERTIFICATION

We, Vijay Goel, GM Finance and Praveen Kumar, Whole Time Director certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st December, 2008 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 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.

Sd/-
(Vijay Goel)
GM Finance

Sd/-
(Praveen Kumar)
Whole Time Director

New Delhi
2nd June, 2009

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

To the members of **MVL Limited**

I have examined the compliance of conditions of corporate governance by MVL Limited for the year ended 31st December, 2008, as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

New Delhi
2nd June, 2009

Sd/-
R.S. Bhatia
Company Secretary in practice
C.P. No. 2514

AUDITORS' REPORT

Auditors' Report to the Members of MVL LIMITED

- 1) We have audited the attached Balance Sheet of MVL Limited (The Company) as at 31st December 2008, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the 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 mis-statement. 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 overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's report) Order 2003 as amended by Companies (Auditor's report (Amendment) Order 2004 (together the Order) issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, (The Act) and on the basis of such checks of books and records of the company as we considered appropriate and according to information and explanation given to us we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) These accounts are revised accounts. Original accounts were approved by the Board & reported upon by the Auditors on 31st March, 2009. Revision made is before the approval of the members in terms of guidance note issued by the Institute of Chartered Accountants of India, on revised accounts, (before circulation to members), net effect of revision is summarised here under :-
 - i) Profit after tax is appropriated towards Proposed Dividend on equity shares and towards provision for Dividend Tax by Rs.2,63,82,325/- & Rs. 44,83,676/- respectively.
 - ii) Balance carried over to Balance Sheet, under the head Reserves & Surplus as balance of Profit & Loss Account, stands reduced by Rs. 3,08,66,001/- (2,63,82,325/- + 44,83,676/-).
 - iii) Provision included under the head Current Liabilities & Provisions stand increased by Rs. 3,08,66,001/- towards proposed dividend on equity shares and towards provision for tax on dividend.
- 5) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
 - iii) The balance sheet, profit and loss account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the balance sheet, profit and loss account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Act;
 - v) On the basis of written representations received from

Directors as at 31st December 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31st December 2008 from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Act;

- vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts **subject to note no.B-7 of schedule 'P' regarding unconfirmed balances** and read together with the significant accounting Policies and notes thereon, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2008;
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date and
 - c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**For ARUN KISHORE & COMPANY
CHARTERED ACCOUNTANTS**

Sd/-

**CA ARUN KISHORE
PARTNER**

[Membership No. 10770]

Place : New Delhi

Date : 2nd June, 2009

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of the our report of even date to the members of MVL Ltd on the accounts for the year ending on 31st Dec. 2008)

- I)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals, which in our opinion, is considered reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) During the year the company has not disposed off substantial part of fixed assets.
- II)
 - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business;
 - c) The company has maintained proper records of inventory. As explained to us no sizeable discrepancies were noticed on physical verification of inventory as compared with the book records;
- III)

In respect of loans, secured or unsecured, granted or taken by the Company to or from Companies, firms or from other parties covered in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us :

 - a) The Company has availed inter corporate loan from one party. At the year end, the outstanding balance of such loan was Rs. 739.90 Lacs (Previous Year Nil) and the

- maximum amount involved during the year was Rs.751.07 Lacs.
- b) In our opinion, the rate of interest and other terms and conditions of the loans are not prima facie, prejudicial to the interest of the Company.
- c) In respect of Loan taken by the company, the same is repayable on demand and therefore there is no overdue amount.
- d) Since the company has not granted any loans, secured or unsecured provisions of clause 4 (iii) (a), (b), (c) & (d) of the Companies (Auditors Report) Order 2003 are not applicable.
- IV) In Our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the said internal controls.
- V) a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register required to be maintained in pursuance of section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year have been made, at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- VI) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public;
- VII) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- VIII) According to the information given to us, the central government has not prescribed maintenance of cost record under clause (d) of sub-section (1) of section 209 of the companies Act, 1956 in respect of the activities of the company.
- IX) a) According to the information and explanations given to us and the records of the company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us, and the records of the company examined by us, there are no disputed or undisputed amounts in respect of provident fund, investor education and protection fund, employees' state insurance, income- tax, wealth- tax, sales- tax, custom duty, excise duty, cess and other statutory dues, outstanding, as at 31st December' 2008 which have not been deposited on account of dispute or which are due for over six months.
- X) The Company does not have any accumulated losses at 31st December' 2008 and has not incurred cash losses during the current year and immediately preceding period.
- XI) According to the information and explanations given to us and in our opinion, during the year the Company has not defaulted in re-payment of dues to any financial institution or banks. The Company has no liability for debentures.
- XII) Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII) The Company is not a chit fund or a nidhi / mutual benefit fund / society.
- XIV) The Company has during the year, traded in listed securities indirectly under a joint venture with a group Company. Proper returns of joint venture accounts have been accounted for as per terms agreed. **Shares acquired on closer of said joint venture are in the name of the joint venture partner which are to be transferred in the name of the Company.**
- XV) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period.
- XVI) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- XVII) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, funds raised on a short-term basis have not been used for long-term investment.
- XVIII) During the year, the Company has not made any preferential allotment of shares.
- XIX) The Company has not issued any debentures during the year covered by our Audit Report.
- XX) The Company has not raised any money by public issue during the year covered by our audit.
- XXI) During the course of the audit carried out and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

**For ARUN KISHORE & COMPANY
CHARTERED ACCOUNTANTS**

Sd/-

**CA ARUN KISHORE
PARTNER**

**Place : New Delhi
Date : 2nd June, 2009**

[Membership No. 10770]

Balance Sheet as at 31st December, 2008

PARTICULARS	SCHEDULE	AS at 31/12/2008 (Amount in Rs.)	AS at 31/12/2007 (Amount in Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	527,646,490	527,646,490
Reserves & Surplus	B	869,899,170	283,822,155
Loans Funds			
Secured Loans	C	362,436,787	
Unsecured Loans		73,989,868	436,426,655
Deferred Tax Liability (Net)			
		3,398,500	2,749,500
		1,309,724,325	1,021,744,243
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	77,911,199	73,339,596
Less: Depreciation		3,660,021	1,486,516
Net Block		74,251,178	71,853,080
Investment			
	E	2,603,311	1,000,000
Current Assets ,Loans & Advances			
Inventories	F	1,319,211,607	1,726,420,312
Sundry Debtors		604,805,180	458,791,984
Cash & Bank Balances		8,866,871	13,502,241
Loans & Advances		252,629,382	131,216,880
		2,185,513,040	2,329,931,417
Less: Current Liabilities & Provisions			
Current Liabilities	G	866,019,972	1,358,743,405
Provisions		86,761,724	23,433,651
		952,781,696	1,382,177,056
Net Current assets			
		1,232,731,344	947,754,361
Miscellaneous Expenditure			
(To the extent not Written off or adjusted)	H	138,492	1,136,802
		1,309,724,325	1,021,744,243
Significant Accounting Policies and Notes to Accounts			
	P		

As per our report of even date
For ARUN KISHORE & COMPANY
 Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
CA Arun Kishore
 Partner
 Membership No. 10770
 Place : New Delhi
 Date : 2nd June, 2009

Sd/-
(Prem Adip Rishi)
 Director

Sd/-
(Rakesh Gupta)
 Director

Sd/-
(Praveen Kumar)
 Whole Time Director

Sd/-
(Sushil Aggarwal)
 Vice President cum
 Company Secretary

Profit And Loss Account for the year ending on 31st December, 2008

PARTICULARS	SCHEDULE	For the year ending on 31st Dec. 2008	For the Period ending on 31st Dec. 2007
INCOME			
Income from Operation	I	1,202,623,855	967,509,320
Other Income	J	1,267,394	388,337
		1,203,891,249	967,897,657
EXPENDITURE			
Cost of Construction / Development	K	944,843,562	739,023,867
Employees Cost	L	21,260,394	12,184,678
Administrative Cost	M	23,006,618	14,293,128
Selling & Distribution Expenses	N	19,132,904	894,787
Finance Cost	O	16,599,811	2,712,975
Depreciation	D	2,173,505	1,486,516
		1,027,016,794	770,595,950
Profit Before Tax		176,874,455	197,301,707
Prior Period Adjustments		6,304,430	-
Other non operational losses		46,643,500	-
Profit after Prior Period Adjustment		123,926,525	197,301,707
Provision for Tax			
Current		32,500,000	22,600,000
Deferred Tax(Net)		649,000	2,538,500
Fringe Benefit Tax		500,000	400,000
Net Profit after Tax		90,277,525	171,763,207
Balance Brought Forward		121,763,207	
Amount available for Appropriation		212,040,732	171,763,207
Appropriations			
Proposed Dividend on Equity Shares		26,382,325	-
Provision for Dividend Tax		4,483,676	-
Transfer to General Reserve		20,000,000	50,000,000
Balance Carried to Balance Sheet		161,174,731	121,763,207
		181,174,731	171,763,207

As per our report of even date
For ARUN KISHORE & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
CA Arun Kishore
Partner
Membership No. 10770
Place : New Delhi
Date : 2nd June, 2009

Sd/-
(Prem Adip Rishi)
Director

Sd/-
(Rakesh Gupta)
Director

Sd/-
(Praveen Kumar)
Whole Time Director

Sd/-
(Sushil Aggarwal)
Vice President cum
Company Secretary

Schedules Annexed to and Forming Part of Balance Sheet

Particulars	As at 31st Dec. 2008 (Amount in Rs.)	As at 31st Dec. 2007 (Amount in Rs.)
SCHEDULE 'A'		
AUTHORISED CAPITAL		
5,55,14,649 Equity shares of Rs.10/- each	<u>555,146,490</u>	<u>555,146,490</u>
Issued , Subscribed & Paid up Capital		
5,27,64,649 Equity Shares of Rs.10/- each fully paid up (Above equity shares are issued pursuant to Scheme of arrangement approved by Hon'ble High Court of Delhi, for consideration other than cash.)	527,646,490	527,646,490
	<u>527,646,490</u>	<u>527,646,490</u>
Schedule 'B'		
Reserves & Surplus		
(a) General Reserve		
Opening Balance	84,215,934	
Add: Provided during the year	<u>20,000,000</u>	
	104,215,934	84,215,934
(b) Share Premium		
Opening Balance	77,843,014	
Less : Deferred Revenue Exp.W/off (Refer Note no.xiv of Schedule'P')	<u>980,999</u>	
	76,862,015	77,843,014
(c) Balance of Profit & Loss A/c	161,174,731	121,763,207
	<u>342,252,680</u>	<u>283,822,155</u>
Schedule 'C'		
Secured Loans		
Term Loans		
[secured against equitable mortgage of immovable property and / or personal guarantee of promoter director]	357,858,492	203,188,333
Others	4,578,295	4,337,765
[Secured against hypotheciation of vehicles]	<u>362,436,787</u>	<u>207,526,098</u>
Unsecured Loans		
Intercorporate Loans	73,989,868	-
	<u>73,989,868</u>	-

SCHEDULE 'D'
FIXED ASSETS

S. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Cost as on 01.01.2008	Addition	Cost as on 31.12.2008	Total up to 01.01.2008	Current Year	Total up to 31.12.2008	As on 31.12.2008	As on 31.12.2007
1	LAND	38,353,400	-	38,353,400	-	-	-	38,353,400	38,353,400
2	OFFICE BUILDING	20,648,487	864,000	21,512,487	596,306	718,518	1,314,824	20,197,663	20,052,181
3	VEHICAL	8,617,993	2,902,702	11,520,695	616,538	991,805	1,608,343	9,912,352	8,001,455
4	OFFICE EQUIPMENT	2,220,322	279,716	2,500,038	85,226	111,427	196,653	2,303,385	2,135,096
5	COMPUTER	1,065,786	191,138	1,256,924	128,944	190,934	319,878	937,046	936,842
6	FURNITURE & FIXTURE	2,433,608	334,047	2,767,655	59,502	160,819	220,321	2,547,333	2,374,106
	TOTAL	73,339,596	4,571,603	77,911,199	1,486,516	2,173,505	3,660,021	74,251,178	71,853,080
	Previous Year	68,264,406	5,075,190	73,339,596	-	1,486,516	1,486,516	71,853,080	-

PARTICULARS	As at 31st Dec 2008 (Amount is Rs.)	As at 31st Dec 2007 (Amount is Rs.)
SCHEDULE 'E'		
Investment (Unquoted - Long Term)		
(a) 100000 Equity shares of Rs. 10/- each of MVL Developers Ltd. (Subsidiary Company)	1,000,000	1,000,000
(b) 9994 Equity shares of Rs. 10/- each of MVL Constructions Ltd.	99,940	-
Investment (Quoted - Long Term)		
(c) 50,000 Equity shares of Rs. 10/- each of Bumpur Cement Ltd. (Market Value Rs.4,90,500.00)	1,503,371	-
	2,603,311	1,000,000
SCHEDULE 'F'		
Current Assets, Loans & Advances		
A Closing Stock: - [As per value taken and certified by the Management]		
Project Work in Progress (at Cost)	1,314,759,414	1,722,447,944
Materials at Site	4,452,193	3,972,368
	1,319,211,607	1,726,420,312
B Sundry Debtors (Unsecured) :- (considered good unless otherwise specified)		
Due for Over Six months	-	-
Due for less than six months	604,805,180	458,791,984
	604,805,180	458,791,984

PARTICULARS	As at 31st Dec 2008 (Amount is Rs.)	As at 31st Dec 2007 (Amount is Rs.)
C Cash & Bank Balances		
Cash Balances	258,324	2,031,305
Balances with Scheduled Banks	8,608,547	11,470,936
	8,866,871	13,502,241
D Loans & Advances (Unsecured considered good unless otherwise specified)		
Advances for Land	221,716,826	110,040,700
Security Deposits	1,015,475	910,016
Advances to Contractors & Suppliers	15,803,531	12,708,818
Other advances recoverable in Cash or in Kind or for value to be recd.	14,093,550	7,557,346
	252,629,382	131,216,880
SCHEDULE 'G'		
Current Liabilities & Provisions		
Sundry Creditors		
For Security Deposit	2,883,459	1,017,841
For Construction & Land Development	379,913,225	820,769,645
For Expenses & Others	12,146,370	8,880,523
For Advances from Customers	471,076,918	528,075,396
	866,019,972	1,358,743,405
Provisions		
Provision for Income Tax	55,100,000	22,600,000
Provision for Fringe Benefit Tax	500,000	400,000
Provision for Gratuity	295,723	433,651
Proposed Dividend on Equity Shares	26,382,325	-
Provision for Dividend Tax	4,483,676	-
	86,761,724	23,433,651

PARTICULARS	As at 31st Dec 2008 (Amount in Rs.)	As at 31st Dec 2007 (Amount in Rs.)
SCHEDULE 'H'		
Miscellaneous Expenditure		
Preliminary Expenses	138,492	155,804
Deferred Revenue Expenses	-	980,998
	<u>138,492</u>	<u>1,136,802</u>
SCHEDULE 'I'		
Income from Operation		
Sale of Projects	1,202,623,855	746,476,145
Other Contracts	-	221,033,175
	<u>1,202,623,855</u>	<u>967,509,320</u>
SCHEDULE 'J'		
Other Income		
Interest from Customers	1,074,603	388,337
Interest from Bank	192,791	-
	<u>1,267,394</u>	<u>388,337</u>
SCHEDULE 'K'		
Cost of Construction/ Development		
Project WIP		
(Opening Balance)	1,722,447,944	1,593,430,671
Stock of Cement & Iron & Steel (Opening Balance)	3,972,368	-
Direct Construction cost	194,928,718	306,566,936
Land & Development Costs	246,790,145	450,000,000
Other Indirect Costs	95,915,994	115,446,572
Total cost upto 31.12.2008	<u>2,264,055,169</u>	<u>2,465,444,179</u>
Less: WIP(Closing stock)		
Building Materials	4,452,193	3,972,368
Project WIP	1,314,759,414	1,722,447,944
	<u>944,843,562</u>	<u>739,023,867</u>
SCHEDULE 'L'		
Employee Cost		
Salary, Allowances & Welfare	19,983,322	11,753,685
Bonus	990,088	383,512
Contribution to Provident Fund	286,984	47,481
	<u>21,260,394</u>	<u>12,184,678</u>

PARTICULARS	As at 31st Dec 2008 (Amount in Rs.)	As at 31st Dec 2007 (Amount in Rs.)
SCHEDULE 'M'		
Administrative Cost		
Books & Periodicals	31,520	453,284
Conveyance Expenses	1,524,353	1,303,782
Audit Fees	130,000	125,000
Deferred Revenue Exp. W/off	-	245,250
Preliminary Exp. W/off	17,312	17,312
Donation	15,000	89,200
Electricity Expenses	166,444	110,500
Insurance	72,957	17,381
Legal & Professional Charges	6,479,176	3,669,549
Meeting Expenses	434,318	-
Membership Fee	1,057,504	-
Office Expenses	810,766	1,687,758
Postage & Telegram	149,802	74,003
Printing & Stationery	634,892	361,510
Rate, Fee & Taxes	3,680,260	483,548
Rent	2,960,000	1,988,427
Repair & Maintenance	2,800,292	1,644,211
Telephone Exp.	913,180	1,377,787
Watch & Ward	1,128,842	644,626
	<u>23,006,618</u>	<u>14,293,128</u>
SCHEDULE 'N'		
Selling & Distribution Expenses		
Business Promotion	310,270	40,809
Advertisement	12,238,984	-
Commission & Brokerage	783,013	-
Rebate & Discount	-	(62,252)
Travelling Expenses (Director)	2,028,300	306,231
Travelling Expenses (Others)	3,772,337	609,999
	<u>19,132,904</u>	<u>894,787</u>
SCHEDULE 'O'		
Finance Cost		
Bank Charges	1,896,455	557,341
Interest on Loan	14,703,356	2,155,634
	<u>16,599,811</u>	<u>2,712,975</u>

SCHEDULE – P

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS.

A) Significant Accounting Policies

i) Basis of Accounting

The financial statements are prepared under the historical cost convention, using accrual basis of accounting, in accordance with the generally accepted accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 (The Act).

ii) Use of Estimates

The presentation of financial statement 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 period. Actual results could differ from those estimates and any revision is recognized in the current and future periods.

iii) Revenue Recognition

a) Real Estate Projects

Revenue from Real Estate Projects is recognized on the 'Percentage of Completion method' (POC) of accounting. Revenue under the POC method is recognized on the basis of percentage of actual costs incurred, including land, construction and development cost of projects under execution subject to such actual cost being 25 percent of the total estimated cost of projects. The state of completion under the POC method is measured on the basis of percentage that actual costs incurred on real estate projects including land, construction and development cost bears to the total estimated cost of the project. The estimates of the projected revenues, projected profits, projected costs, cost to completion and the foreseeable loss are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined.

b) Interest due on delayed payments of installments from customers is accounted on receipt basis due to uncertainty of recovery.

iv) Fixed Assets

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

v) Depreciation

- a) Depreciation on fixed assets is provided on the straight line method at the rates and as per the manner prescribed in Schedule XIV of the Act.
- b) Depreciation on additions/ deletions to fixed assets is provided on pro-rata basis from the date the asset is put to use/discarded.
- c) Individual Assets costing less than Rs.5000.00 are depreciated in full in the year of purchase.

vi) Inventories

- a) Building material and consumable stores are valued at lower of cost or market value on 'First in First out' method.
- b) Work in progress (Projects) including cost of land is valued at cost.

vii) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any 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.

viii) 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.

ix) Borrowing Cost

- a) Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets for the period up to the completion/installation or construction of such assets respectively are capitalized as part of the cost of such asset.
- b) All other borrowing costs are charged to revenue in the year in which they are incurred.

x) Taxes on Income

- a) (i) The tax year for the company being the year ending 31st March, provision for taxation for the year is the provision based on figures for the year ending 31st Dec'08. The ultimate tax liability of which will be determined on the basis of the figures for the financial year 2008-09.
- (ii) Out of the three projects on which revenue is recognized, for the first project, the company is availing exemption from income tax under section 80IB (10) of the Income Tax Act, 1961.

b) Deferred Tax

Deferred Taxation is provided using the liability method in respect of the tax effect arising from all material timing differences between the accounting and tax treatment of Income and expenditure which are expected with reasonable profitability to crystallize in foreseeable future.

Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in the near future.

xi) 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 profit and loss account.

b) Provision for gratuity and Leave Encashment is made on actuarial valuation, as per Accounting Standard (AS)-15.

xii) Accounting Standards

The Company follows all applicable accounting standards as required under Section 211 (3) (C) of the Act.

xiii) 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.

xiv) Deferred Revenue Expenses

a) In terms of Accounting Standard (AS)-26, balance amount of Deferred Revenue expense of Rs. 9,80,999.00 has been amortized during the year.

b) Preliminary expenses are being amortized in ten annual equated installments.

B) Notes to Accounts

1. Previous year figures have been regrouped and rearranged, wherever necessary.

2. Determination of Revenues under 'Percentage of Completion Method' necessarily involves making estimates by management for percentage of completion, cost to completion, revenues expected from projects, projected profits and foreseeable losses.

These estimates being of technical nature have been relied upon by the Auditors

3. Earning per Share (EPS)

Profit attributable to the equity share holders

Number of Equity Shares

Basic/Diluted Earnings per share

(A)
(B)
(A)/(B)

	For the Year Ended on 31.12.08 (Rs. in Lacs)	For the Period Ended on 31.12.07 (Rs. in Lacs)
Profit attributable to the equity share holders	902.78	1717.63
Number of Equity Shares	5,27,64,649	5,19,41,144
Basic/Diluted Earnings per share	1.71	3.31
For Statutory Audit & Tax Audit	1.00	1.00
For Taxation matters	0.30	0.25
Salaries	12.87	1.08
Sitting fees	0.96	0.27
Commission	12.39	19.73

4. The Company's operations comprise of one Segment only i.e. 'Real Estate Projects Development'. There are no other businesses /geographical segments to be reported as per Accounting Standard (AS)-17.

5. In the opinion of Directors, the current assets and loans and advances 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.

6. Small Scale Industrial Undertaking to whom sum exceeding Rs.1,00,000/- each are outstanding for more than 30 days is Rs. NIL. This information has been identified by the Management and relied upon by the auditors.

7. Debit and credit balances in respect of Sundry Debtors, Creditors, Deposits, Loans and advances are taken as shown by the Books of Account and certain balances are subject to confirmation and consequent adjustment and reconciliation, if any.

8. Auditors Remuneration Covers

For Statutory Audit & Tax Audit

For Taxation matters

9. Directors Remuneration Covers

Salaries

Sitting fees

Commission

10. Disclosure of Related Party Transactions in accordance with Accounting Standard (AS)-18 "Related Party Disclosures".

 (1) **Relationship**

- a) **Wholly owned subsidiary**
MVL Developers Ltd.
- b) Other related parties in which key managerial personnel or their relatives have significant influence;
 - MVL Industries Ltd.
 - Balaji Tirupati Buildcon Ltd.
 - Media Magnetic Cassettes Pvt.Ltd
 - MVL Constructions Ltd.
 - Media Infrastructure Ltd.
 - MVL Credits Holdings & Leasing Pvt.Ltd.
 - Media Holdings Pvt.Ltd.
 - Risbro Technical Equipments Pvt.Ltd.
 - Global Digital Tech.Ltd.
 - MVL Solar Power Ltd.
 - Sh. Balaji Tirupati Electronics Pvt.Ltd.
- c) Key Managerial Personnel with whom transactions have taken place:
Mr. Prem Adip Rishi
Mr. Praveen Kumar
- d) Relatives of key managerial personnel where transactions have taken place.
Mr.Anukool Rishi
Mr.Arjun Rishi

2) Summary of transactions carried out with related parties (as identified above by the Company and relied upon by the Auditors)

(Rs. in lacs)

Sl. No.	Nature of Transactions	Referred in 10(1)(a)	Referred in 10(1)(b)	Referred in 10(1)(c)	Referred in 10(1)(d)	Total For the year ended on 31/12/08	For the period ended on 31/12/07
i.	Investment in Share Capital (non listed)	-	10.00	-	-	10.00	10.00
ii	Investment in Share Capital (listed)	-	15.03	-	-	15.03	-
iii	Share Application Paid	-	42.04	-	-	42.04	31.39
iv	Sale of Investment	-	9.00	-	-	9.00	-
v	Transactions in Securities	-	466.44	-	-	466.44	-
vi	Unsecured Loans taken	-	739.90	-	-	739.90	-
vii	Advances given for Land/ Land Development	91.76	-	-	-	91.76	-
viii	Real Estate Project Development cost under collaboration	-	39.87	-	-	39.87	4500.00
ix	Director remuneration / Commission	-	-	25.26	-	25.26	20.81
x	Rent	-	-	-	29.60	29.60	-
xi	Technical Training	-	-	-	1.25	1.25	-
xii	Salary	-	-	-	2.53	2.53	-
xiii	Financial Charges	-	59.59	-	-	59.59	-
xiv	Sale of Projects	-	6078.00	-	-	6078.00	2908.56
xv	Amounts received against sale of Projects	-	5427.00	-	-	-	3626.72

- 3) (a) Sundry Debtors include debts due from firms/Private Ltd. Companies in which some of the Directors are Interested.
- (b) Sundry Debtors include debts due from Limited Companies in which some of the Directors are interested.
- (c) Loans and advances include recoverable from firms / Ltd Companies in which some of the Directors are interested.
- (d) Sundry Creditors include outstanding balance payable to Companies in which Directors are interested.

11. As per the best estimate of the Management, no provision is required to be made as per the Accounting Standard (AS)-29 issued by the Institute of Chartered Accountants of India, in respect of any present obligation as are result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

12. Information pursuant to paragraph 3 & 4 of Part II of Schedule VI of the Act to the extent applicable is given below:-

a) Gross Revenue from Projects (Real Estate)

b) Work in progress

Opening balance

Closing Balance

c) Brokerage on Sales

d) Earnings in Foreign Currency

e) Expenditure in Foreign currency

- For Traveling

- For others

f) CIF Value of Imports

	For the Year Ended on 31.12.08 (Rs. in Lacs)	For the Period Ended on 31.12.07 (Rs. in Lacs)
	2750.13	Nil
	Nil	1370.83
	2.26	27.26
	3624.79	6652.12
	120,26.24	9675.09
	17,224.47	Nil
	13,147.59	17224.47
	74.86	83.78
	Nil	Nil
	12.94	1.59
	Nil	Nil
	Nil	Nil

Signature for Schedule "A" to "P"

As per our report of even date
For ARUN KISHORE & COMPANY
 Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

CA Arun Kishore

Partner

Membership No. 10770

Place : New Delhi

Date : 2nd June, 2009

Sd/-

(Prem Adip Rishi)

Director

Sd/-

(Rakesh Gupta)

Director

Sd/-

(Praveen Kumar)

Whole Time Director

Sd/-

(Sushil Aggarwal)

Vice President cum

Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.12.2008

SL. NO.	PARTICULARS	FOR THE YEAR ENDED 31.12.2008 (RS. IN LACS)	FOR THE PERIOD ENDED 31.12.2007 (RS. IN LACS)
A)	Cash flow from Operating activities		
	Net profit before taxation & extraordinary items	1768.74	1973.02
	Adjustment for		
	- Depreciation	21.74	14.87
	Revenue Exp./other claims written off	0.17	2.63
	Interest charges	166.00	27.13
	Interest /other income received	(12.67)	(3.88)
	Operating Profit before working capital changes	1943.98	2013.77
	Adjustment for (increase)/decrease in -		
	Trade Receivables	(1460.13)	(4587.92)
	Other Receivables	(1,214.12)	(1,312.17)
	Inventories / Projects Work in Progress (Including Projects Trf. under Scheme of arrangement)	4072.09	(17264.20)
	Trade payables and others	(4928.61)	13823.88
	Cash generated from operations	(1586.79)	(7326.64)
	Direct Taxes paid	(4.00)	-
	Extrordnary items.	(63.04)	-
	Net cash flow from Operative Activity	(1,653.83)	(7,326.64)
B.	Cash Flow from investing activities.		
	Investments	(16.03)	(10.00)
	Purchase of property, plant, equipment & other long term assets	(45.72)	(50.75)
	Sale proceeds of property, plant, equipment & other long term asset	(466.44)	-
	Net Fixed Assets transferred under Scheme of Arrangement	-	(671.27)
	Interest received & other Misc. Income	12.67	3.88
	Deferred Revenue Expenditure	-	-
	Net Cash from investing activities.	(515.52)	(728.14)
C.	Cash Flow from Financing Activities		
	Interest and similar charges paid	(166.00)	(27.13)
	Lease Rent Liabilities paid	-	-
	Increase in Share Capital/ Convertible Warrants/ Share Application	-	6,141.66
	Increase/(Decrease) in cash Credit Utilisation	2,289.00	2,075.26
	Net Cash from Financing Activities	2,123.00	8,189.79
	Net increase in cash and cash equivalents (A+B+C)	(46.35)	135.01
	Cash and Bank Equivalent (opening balance)	135.02	-
	Cash and Bank Equivalent (closing balance)	88.67	135.02

FOR AND ON BEHALF OF THE BOARD

Sd/- PREM ADIP RISHI Director	Sd/- PRAVEEN KUMAR Wholtime Director	Sd/- RAKESH GUPTA Director	Sd/- SUSHIL AGGARWAL Vice President cum Company Secretary
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AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of MVL Limited for the year ended 31st December, 2008. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 2nd June, 2009 to the members of the Company.

For **ARUN KISHORE & COMPANY**
Chartered Accountants

Sd/-
CA ARUN KISHORE
PARTNER
MEMBERSHIP NO.10770

Place : New Delhi.
Date : 2nd June, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
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I.	Registration details		
	CIN No.	L45200DL2006P LC154848	U45200DL2006PLC154848
	Balance Sheet date	31.12.2008	31.12.2007
II	CAPITAL RAISED DURING THE YEAR(Amount in Rs. Thousands)		(Amount in Rs. Thousands)
	Public issue	NIL	NIL
	Right Issue	NIL	NIL
	Bonus Issue	NIL	NIL
	Private Placement	NIL	NIL
III	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		
	Total liabilities	1309724	1021744
	Total Assets	1309724	1021744
	SOURCES OF FUNDS		
	Paid up Capital	527646	527646
	Reserves and surplus	342253	283822
	Deferred Tax Liability	3399	2750
	Secured Loans	362437	207526
	Unsecured loans	73990	
	APPLICATION OF FUNDS		
	Net Fixed Assets	74251	71853
	Investments	2603	1000
	Net Current Assets	1232731	947754
	Misc Expenditure	138	1137
IV	PERFORMANCE OF THE COMPANY		
	Turnover including other income	1203891	967898
	Total expenditure	1079964	770596
	Profit before tax	123927	197302
	Profit after tax	90278	171763
	Earnings per share Rs.	1.71	3.31
V	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY		
	(As per monetary terms)		
	a. Item Code No. (ITC No)	None	
	Product description	Real Estate	

As per our report of even date
For ARUN KISHORE & COMPANY
 Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
CA Arun Kishore
 Partner
 Membership No. 10770
 Place : New Delhi
 Date : 2nd June, 2009

Sd/-
(Prem Adip Rishi)
 Director

Sd/-
(Rakesh Gupta)
 Director

Sd/-
(Praveen Kumar)
 Whole Time Director

Sd/-
(Sushil Aggarwal)
 Vice President cum
 Company Secretary

Statement pursuant to section 212 of the Companies Act, 1956 relating to Subsidiary Company

Domestic Subsidiary	
1 Name of Subsidiary Company	MVL Developers Limited
2 Financial Year of the Subsidiary ended on	31st December, 2008
3 Date from which it became subsidiary	10th December, 2007
4 No. of Shares held by MVL Limited and / or its Nominees as on 31st December, 2008	1,00,000 Equity shares of Rs. 10/- each
5 Extent of Holding	100%
6 Net aggregate amount of profits / losses of the Subsidiary so far as it concerns the members of MVL Limited	
i. Not dealt within the accounts of MVL Limited :	
a) for subsidiary's financial year ended on 31st December, 2008	Nil
b) for previous financial years of the subsidiary since it became subsidiary of MVL Limited	Nil
ii. Dealt within the accounts of MVL Limited :	
a) for subsidiary's financial year ended on 31st December, 2008	Nil
b) for previous financial years of the subsidiary since it became subsidiary of MVL Limited	Nil

For and on Behalf of the Board of Directors

**Sd/-
(Praveen Kumar)
Whole Time Director**

**Place : New Delhi
Date : 2nd June, 2009**

Directors' Report

To the members

Your Directors have pleasure in presenting the 2nd Annual Report and Audited Statement of Accounts for the period ended on 31st December, 2008.

1. Financial Results

During the year under review, there was no Income of the Company. An expenditure of Rs. 30,538/- incurred under various heads, including an expenditure of Rs. 20,000/- on account of audit fees, was transferred to pre-operative expenses.

2. Dividend

There was no profit therefore no dividend was declared.

3. Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Prem Adip Rishi and Mr. Rakesh Gupta, Directors of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Further, during the year under review, Mr. Krishna Kumar was inducted in the Board w.e.f 16.09.2008.

In respect of Mr. Krishna Kumar, Director being re-appointed, the Company has received a notice in term of Section 257 of the Companies Act, 1956 from the member signifying its intention to propose his candidature for the office of Directors of the Company.

4. Fixed Deposits

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

5. Auditors

M/s Arun Kishore & Company, Chartered Accountants, New Delhi, the Statutory Auditors, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office if reappointed. They have furnished a certificate stating that their re-appointment would be with in the limits specified under section 224(IB) of the Companies Act, 1956.

The Directors of your Company recommend their re-appointment at the ensuing Annual General Meeting.

6. Auditors' Report

The Auditors' Report to the members together with Audited Accounts for the period ended 31st December, 2008 and notes thereon are attached, which are self explanatory.

7. Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state and confirm as under:

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The directors had 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 at the end of the Financial year and the Profit of the company for that period.
- That the Directors had 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.
- That the directors had prepared the annual accounts on going concern basis.

8. Particulars of Employees

Information as per section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 does not form part of this Report, as no employee of your company is covered as per provisions contained therein.

9. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Disclosures of particulars with respect to conservation of energy and technology absorption are not applicable to the Company. During the year under review, there was no foreign exchange earning and outgo.

	Year ended 31.12.2008
Foreign Exchange Earning	Nil
Foreign Exchange Outgo	Nil

10. Acknowledgements

Your Directors place on record their grateful thanks to the shareholders of the company. They also wish to convey their gratitude and appreciation to the employees of the company for their sincerity, dedication and valuable contribution during the year.

For & on behalf of the Board of Directors
For MVL Developers Limited

New Delhi
2nd June, 2009

Sd/-
(Prem Adip Rishi)
Director

Sd/-
(Rakesh Gupta)
Director

AUDITORS' REPORT

The Shareholders of

MVL DEVELOPERS LIMITED.

We have audited the attached Balance Sheet of **MVL DEVELOPERS LIMITED**, ("the Company") as at 31st December 2008, the Profit & Loss Account for the period ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 from 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 overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies(Auditors Report)Order,2003("the order")(as amended) issued by the Central Government of India in terms of section 227(4A)of the Companies Act,1956,("the Act")we enclose in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the said order.

Further to our comments, in the annexure referred to in paragraph '3' above, we report that:-

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books ;
- c) The balance sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts ;
- d) In our opinion, the balance sheet, profit & loss account dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ;
- e) On the basis of written representation received from the Directors of the Company as on 31st December 2008 and taken on record by the Board of directors, we report that none of the Directors is disqualified as on 31st December 2008 from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956 .
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with Significant Accounting Policies & Notes given in Schedule "F"give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India.
 - 1) in the case of Balance Sheet, of the state of the affairs of the company as at 31st December 2008 ;
 - 2) In the case of the Profit & Loss Account, of the Loss/(Project WIP expenses capitalized) of the Company for the period ended on that date.

**FOR ARUN KISHORE & COMPANY
CHARTERED ACCOUNTANTS**

Sd/-

**CA ARUN KISHORE
PARTNER**

Membership No.10770

Place: New Delhi

Dated: 31st March, 2009

ANNEXURE TO THE AUDITOR'S REPORT OF EVEN DATE

- I. The company has no Fixed Assets as at 31.12.2008 as such provisions of clauses 4(i) (a), (b) & (c) of the said order, 2003 are not applicable.
- II. Immovable asset purchased during the year is taken under Inventory as Project (Work in Progress) which is in the name of the company. Since there is no movable assets, provisions of clauses 4 (ii) (a), (b) & (c) of the said order, 2003 are not applicable.
- III a). As per information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) As the Company has neither granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, provisions of clauses 4(iii)(b),(c) and (d) of the said Order 2003 are not applicable.
- IV) In our opinion, there are adequate internal control procedures commensurate with size of the company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods & services. During the course of our audit, no major weakness has been noticed in the internal control.
- V) a) According to the information and explanation given to us and on the basis of the checks carried out by us, there are no contracts or arrangements referred to in Section 301 of the Act required to be entered in the register maintained under that section.
- b) As the company has not entered into any contracts or arrangements with the parties mentioned in Para V(a) above, the need to determine whether the prices are reasonable having regard to prevailing market price does not arise.
- VI) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public.
- VII) In our opinion, the company has an Internal Audit system commensurate with the size and nature of its business.
- VIII) According to the information and explanation given to us, the central Government has not prescribed maintenance of cost record under clause (d) of sub section (1) of section 209 of the Companies Act, 1956 in respect of company's activity.
- IX) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and any other statutory dues if any applicable to it.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, investor education and protection fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, and according to the information & explanation given to us there are no dues outstanding in respect of Provident Fund, investor education and protection fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other statutory dues on account of dispute if any pending.
- X) The Company's has no accumulated losses at the end of the financial year and it has not incurred cash loss in the current year or during the preceding financial year.
- XI) According to the information & explanation given to us, during the year, the Company has no outstanding dues to any financial institution or banks or debenture holders during the year.
- XII) Based on our examination and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- XIII) The Company is not a chit/nidhi/mutual benefit fund/society.
- XIV) According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- XV) According to the information and explanations given to us, the company has not given guarantee for loans taken by others from Banks or financial institutions.
- XVI) The company has not raised any new term loan during the year.
- XVII) On the basis of our examination of the books of accounts and explanations given to us, no funds have been raised on short term basis that have been used for long term investment and vice versa.
- XVIII) During the year the Company has not made any preferential allotment of shares to Companies/Firms covered in the register maintained under section 301 of the Companies Act, 1956.
- XIX) During the year, the Company did not have any outstanding debentures.
- XX) The Company has not raised any money by public issue during the year.
- XXI) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR ARUN KISHORE & COMPANY
CHARTERED ACCOUNTANTS**

Sd/-

**CA ARUN KISHORE
PARTNER
Membership No.10770**

Place: New Delhi
Dated: 31st March, 2009

Balance Sheet as at 31st December, 2008

PARTICULARS	SCHEDULE	As at 31st Dec. 2008	As at 31st Mar. 2008
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	1,000,000	1,000,000
Share Application Money(Pending allotment)		45,000	45,000
Reserves & Surplus	B	-	-
		<u>1,045,000</u>	<u>1,045,000</u>
APPLICATION OF FUNDS			
Fixed Assets			
Pre-Operative Expenses (Pending Capitalization)		-	9,757
Current Assets ,Loans & Advances			
Inventories	C	9,627,605	-
Cash & Bank Balances		578,587	1,003,033
Loans & Advances		-	-
		10,206,192	1,003,033
Less: Current Liabilities & Provisions			
Current Liabilities	D	9,195,760	5,500
Provisions		-	-
		<u>9,195,760</u>	<u>5,500</u>
Net Current assets		1,010,432	997,533
Miscellaneous Expenditure			
(To the extent not Written off or adjusted)	E	34,568	37,710
		<u>1,045,000</u>	<u>1,045,000</u>
Significant Accounting Policies and Notes to Accounts	F		

As per our report of even date
For Arun Kishore & Company
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
CA Arun Kishore
Partner
Membership No. 10770
Place: New Delhi
Date : 31st March, 2009

Sd/-
(Prem Adip Rishi)
Director

Sd/-
(Rakesh Gupta)
Director

Profit And Loss Account for the Period from 01.04.2008 to 31.12.2008

SCHEDULE	For the period from 01.04.2008 to 31.12.2008	For the period from 10.12.2007 to 31.03.2008
INCOME		
Income from Operation	-	-
	<hr/>	<hr/>
EXPENDITURE		
Audit Fees	20,000	5,500
Bank charges	5,296	-
Rates Fees & Taxes	2,100	67
Preliminary Expenses w/off	3,142	4,190
	<hr/>	<hr/>
	30,538	9,757
Less: Transferred to Pre-Operative Expenses	-	9,757
Less: Transferred to Project WIP	30,538	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

As per our report of even date
For Arun Kishore & Company
 Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
CA Arun Kishore
 Partner
 Membership No. 10770
 Place: New Delhi
 Date : 31st March, 2009

Sd/-
(Prem Adip Rishi)
 Director

Sd/-
(Rakesh Gupta)
 Director

Schedule Annexed to and Forming Part of Balance Sheet

PARTICULARS	As at 31st Dec. 2008 (Amount in Rs.)	As at 31st Mar. 2008 (Amount in Rs.)
Schedule 'A'		
Authorised Capital		
1,00,000 Equity shares of Rs.10/- each	<u>1,000,000</u>	<u>1,000,000</u>
Issued , Subscribed & Paid up Capital		
1,00,000 Equity Shares of Rs.10/- each fully paid up	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>
Schedule 'B'		
Resrves & Surplus		
(a) General Reserve	-	-
(b) Balance of Profit & Loss A/c	-	-
	-	-
Schedule 'C'		
Current Assets , Loans & Advances		
A Closing Stock		
Project work in progress(at cost)	9,627,605	-
	<u>9,627,605</u>	-
B Cash & Bank Balance		
Cash Balances	413,450	1,003,033
Balances with Scheduled Banks		
Allahabad Bank	8,085	-
Canara Bank	157,052	-
	<u>578,587</u>	<u>1,003,033</u>
C Loans & Advances		
(Unsecured considered good unless otherwise specified)		
Advances for Land	-	-
	-	-
Schedule 'D'		
Current Liabilities & Provisions		
A Sundry Creditors		
MVL Limited	9,175,760	-
Expenses Payable	-	-
Audit Fees payable	20,000	5,500
	<u>9,195,760</u>	<u>5,500</u>
Schedule 'E'		
Miscellaneous Expenditure		
Preliminary Expenses	37,710	41,900
Less : Written off	3,142	4,190
	<u>34,568</u>	<u>37,710</u>
Pre Operative Expences		
Opening Balance	9,757	-
Add:Transfer from Profit & Loss Account	-	9,757
Less:Transfer to Project WIP	9,757	-
	-	9,757
	<u>34,568</u>	<u>47,467</u>

SCHEDULE "F"

SCHEDULE OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FOR THE PERIOD ENDED ON 31.12.2008

A) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereafter. Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

2. INVENTORY VALUATION

Work in Progress (Projects) including cost of Land is valued at cost.

3. ACCOUNTING STANDARDS

The Company follows all applicable accounting standards as required Under Section 211 (3)(C) of the Companies Act, 1956.

B) Notes to Accounts:

1. The first accounts of the company were closed on 31st March 2008 for the period 10th Dec 2007 to 31st March 2008. The company has vide Board resolution dated 20th Feb 2009 decided to close its annual accounts on 31st Dec each year thereafter. These accounts are as such for a period from 01.04.2008 to 31.12.2008 where as the previous year figures are for the period 10.12.2007 to 31.03.2008.
2. i) During the period, the company has purchased land for development, which is included as Project Work in Progress(WIP) under the head Inventories.
ii) All expenses as per Profit and Loss Account have been capitalized and transferred to project WIP.
3. In the opinion of Directors, the current assets and loans and advances 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.
4. Small Scale Industrial Undertaking to whom sum exceeding Rs. 1,00,000/- each are outstanding for more than 30 days is Rs. NIL.

5. Auditors Remuneration Covers.	for the period from 01.04.08 to 31.12.08	for the period from 10.12.07 to 31.03.08
For Statutory Audit	Rs. 20,000.00	Rs.5,500.00

6. During the period, the company has not made any sales/revenue or income. The operation is restricted to one segment only i.e. "Real Estate Project Development." There are no other business/geographical segments to be reported as per Accounting Standard (AS)-17.

7. Disclosure of Related Party Transactions in accordance with Accounting Standard (AS)-18 "Related Party Disclosures".

(1) Relationship

- a) Enterprise that controls the company ;
MVL Ltd. (Holding Company)
- b) Other related parties in which key managerial personnel or their relatives having significant influence.
 - i) MVL Industries Ltd.
 - ii) Balaji Tirupati Buildcon Ltd.
 - iii) Media Magnetic Cassettes Pvt.Ltd
 - iv) MVL Constructions Ltd.
 - v) Media Infrastructure Ltd.
- c) Key Managerial Personnel with whom transactions have taken place ;
Mr. Prem Adip Rishi
- d) Relatives of key managerial personnel where transactions have taken place.
Nil

2) Summary of transactions carried out with related parties (as identified above by the Company and relied upon by the Auditors)

Sl. No	Nature of Transactions	Referred in 7(1)(a)	Referred in 7(1)(b)	Referred in 7(1)(c)	Referred in 7(1)(d)	Total For the period ended on 31/12/08	Total For the period ended on 31/03/08
i	Advances received for Land/ Land Development	91.76	-	-	-	91.76	-
ii	Share Application money received	-	-	-	-	-	0.45

3) Sundry Creditors include Rs.91.76 Lacs due to Holding company.

8. As per the best estimate of the Management, no provision is required to be made as per the Accounting Standard (AS) 29 issued by the Institute of Chartered Accountants of India, in respect of any present obligation as are result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

9. Information pursuant to paragraph 3 & 4 of part II of Schedule VI of the Act to the extent applicable is given below:-

	for the period from 01.04.08 to 31.12.08 (Rs.in Lacs)	for the period from 10.12.07 to 31.03.08 (Rs.in Lacs)
(a) Gross Revenue from Projects (Real Estate)	Nil	Nil
(b) Work in progress (Projects)		
Opening balance	Nil	Nil
Closing Balance	96.28	Nil
(c) Earnings in Foreign Currency	Nil	Nil
(d) Expenditure in Foreign currency		
- For Traveling	Nil	Nil
- For others	Nil	Nil
(e) CIF Value of Imports	Nil	Nil

Signature for Schedule "A" to "P"

Subject to our report even date

For and on behalf of the Board of Directors

For Arun Kishore & Company
Chartered Accountants

Sd/-
CA Arun Kishore
Partner
Membership No. 10770
Place: New Delhi
Date : 31st March, 2009

Sd/-
(Prem Adip Rishi)
Director

Sd/-
(Rakesh Gupta)
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
--

I	DETAILS		
	CIN No.	U45400DL2007PLC171222	U45400DL2007PLC171222
	Balance Sheet date	31.12.2008	31.03.2008
II	CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)		(Amount in Rs. Thousands)
	Public issue	NIL	NIL
	Right Issue	NIL	NIL
	Bonus Issue	NIL	NIL
	Private Placement	NIL	NIL
III	POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		
	Total liabilities	1045	1045
	Total Assets	1045	1045
	SOURCES OF FUNDS		
	Paid up Capital	1000	1000
	Reserves and surplus	-	-
	Share Application Money	45	45
	Deferred Tax Liability	-	-
	Secured Loans	-	-
	Unsecured loans	-	-
	APPLICATION OF FUNDS		
	Net Fixed Assets	-	-
	Investments	-	-
	Net Current Assets	1010	998
	Misc Expenditure	35	47
IV	PERFORMANCE OF THE COMPANY		
	Turnover including other income	-	-
	Total expenditure	-	-
	Profit before tax	-	-
	Profit after tax	-	-
	Earnings per share Rs.	-	-
V	GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As per monetary terms)		
	a. Item Code No. (ITC No)	None	
	Product description	Real Estate	

Subject to our report of even date
For ARUN KISHORE & COMPANY
Chartered Accountants

For and on Behalf of the Board

Sd/-
CA Arun Kishore
Partner
Membership No. 10770
Place : New Delhi
Date : 31st March, 2009

Sd/-
(Prem Adip Rishi)
Director

Sd/-
(Rakesh Gupta)
Director

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF MVL LTD. ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MVL LTD. AND ITS SUBSIDIARY NAMEDLY MVL DEVELOPERS LTD.

1. We have audited the attached consolidated Balance Sheet of MVL Ltd. and its subsidiary as at 31st December 2008, the consolidated Profit and Loss Account 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 company. 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 overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This report is on revised accounts. Original accounts were approved by the Board & reported upon by the Auditors on 31st March, 2009. Revision made is before the approval of the members in terms of guidance note issued by the Institute of Chartered Accountants of India, on revised accounts, (before circulation to members), net effect of revision is summarised here under :-
 - i) Profit after tax is appropriated towards Proposed Dividend on equity shares and towards provision for Dividend Tax by Rs.2,63,82,325/- & Rs. 44,83,676/- respectively.
 - ii) Balance carried over to Balance Sheet, under the head Reserves & Surplus as balance of Profit & Loss Account, stands reduced by Rs. 3,08,66,001/- (2,63,82,325 + 44,83,676).
 - iii) Provision included under the head Current Liabilities & Provisions stand increased by Rs. 3,08,66,001/- towards proposed dividend on equity shares and towards provision for tax on dividend.
4. 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, on "Consolidated Financial Statements", Accounting Standard (AS)-23 on "Accounting for investments in Associates in Consolidated Financial statements".
5. Based on our audit and on consideration of separate financial statements of holding and subsidiary company and to the best of our information and according to the explanations given to us, and read together with Significant Accounting policies and Notes given in Schedule 'P' 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 December, 2008.
 - b) in the case of the Consolidated Profit and Loss account of the profit 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**

Sd/-

**CA ARUN KISHORE
Partner**

Membership No. 10770

Place : New Delhi

Date : 2nd June, 2009

Consolidated Balance Sheet as at 31st December, 2008

PARTICULARS	SCHEDULE	As at 31st Dec. 2008 (Amount in Rs.)	
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	527,691,490	
Reserves & Surplus	B	<u>342,252,680</u>	869,944,170
Loans Funds			
Secured Loans	C	362,436,787	
Unsecured Loans		<u>73,989,867</u>	436,426,654
Deferred Tax Liability (Net)			<u>3,398,500</u>
			<u>1,309,769,324</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	77,911,199	
Less: Depreciation		<u>3,660,021</u>	
Net Block			74,251,178
Investment	E		1,603,311
Current Assets, Loans & Advances			
Inventories	F	1,328,839,212	
Sundry Debtors		604,805,180	
Cash & Bank Balances		9,445,457	
Loans & Advances		<u>243,453,622</u>	
		<u>2,186,543,471</u>	
Less: Current Liabilities & Provisions	G		
Current Liabilities		866,039,972	
Provisions		<u>86,761,724</u>	
		<u>952,801,696</u>	
Net Current assets			1,233,741,775
Miscellaneous Expenditure	H		173,060
(To the extent not Written off or adjusted)			<u>1,309,769,324</u>
Significant Accounting Policies and Notes to Accounts	P		

As per our report of even date
For ARUN KISHORE & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
CA Arun Kishore
Partner
Membership No. 10770
Place : New Delhi
Date : 2nd June, 2009

Sd/-
(Prem Adip Rishi)
Director

Sd/-
(Rakesh Gupta)
Director

Sd/-
(Praveen Kumar)
Whole Time Director

Sd/-
(Sushil Aggarwal)
Vice President cum
Company Secretary

Consolidated Profit And Loss Account for the year ending on 31st December, 2008

SCHEDULE	For the year ending on 31st Dec. 2008
INCOME	
Income from Operation	1,202,623,855
Other Income	1,267,394
	1,203,891,249
EXPENDITURE	
Cost of Construction / Development	944,843,561
Employees Cost	21,260,395
Administrative Cost	23,006,617
Selling & Distribution Expenses	19,132,903
Finance Cost	16,599,811
Depreciation	2,173,505
	1,027,016,792
Profit Before Tax	176,874,457
Prior Period Adjustments	6,304,430
Other non trading losses	46,643,500
Profit after Prior Period Adjustment	123,926,527
Provision for Tax	
Current	32,500,000
Deferred Tax(Net)	649,000
Fringe Benefit Tax	500,000
Net Profit after Tax	90,277,527
Balance Brought Forward	121,763,207
Amount available for Appropriation	212,040,734
Appropriations	
Proposed Dividend on Equity Shares	26,382,325
Provision for Dividend Tax	4,483,676
Transfer to General Reserve	20,000,000
Balance Carried to Balance Sheet	161,174,733
	181,174,733

As per our report of even date
For ARUN KISHORE & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
CA Arun Kishore
Partner
Membership No. 10770
Place : New Delhi
Date : 2nd June, 2009

Sd/-
(Prem Adip Rishi)
Director

Sd/-
(Rakesh Gupta)
Director

Sd/-
(Praveen Kumar)
Whole Time Director

Sd/-
(Sushil Aggarwal)
Vice President cum
Company Secretary

Consolidated Schedules Annexed to and Forming Part of Balance Sheet

PARTICULARS	As at 31st Dec. 2008 (Amount in Rs.)
Schedule 'A'	
Authorised Capital	
5,55,14,649 Equity shares of Rs.10/- each (Previous year 5,55,14,649 Equity shares)	555,146,490
Issued , Subscribed & Paid up Capital	
5,27,64,649 (P.Y.5,27,64,649) Equity Shares of Rs.10/- each fully paid up (Above equity shares are issued pursuant to Scheme of arrangement approved by Hon'ble High Court of Delhi, for consideration other than cash.)	527,646,490
Share Application Money(Pending Allotment)	45,000
	<u>527,691,490</u>
Schedule 'B'	
Resrves & Surplus	
(a) General Reserve	
Opening Balance	84,215,934
Add: Provided during the year	20,000,000
	<u>104,215,934</u>
(b) Share Premium	
Opening Balance	77,843,014
Less : Deferred Revenue Exp.W/off (Refer Note no.xiv of Schedule'P')	<u>980,998</u>
	76,862,016
(c) Balance of Profit & Loss A/c	<u>161,174,731</u>
	<u>342,252,680</u>
Schedule 'C'	
Secured Loans	
Term Loans [secured against equitable mortgage of immovable property and / or personal guarantee of promoter director]	357,858,492
Others [Secured against hypotheciation of vehicles]	4,578,295
	<u>362,436,787</u>
Unsecured Loans	
Intercooperate Loan	73,989,867
	<u>73,989,867</u>

SCHEDULE 'D'
FIXED ASSETS

S. No.	Particulars	GROSS BLOCK		DEPRECIATION			NET BLOCK		
		Cost as on 01.01.2008	Addition	Cost as on 31.12.2008	Total up to 01.01.2008	Current Year	Total up to 31.12.2008	As on 31.12.2008	As On 31.12.2007
1	LAND	38,353,400	-	38,353,400	-	-	-	38,353,400	38,353,400
2	OFFICE BUILDING	20,648,487	864,000	21,512,487	596,306	718,518	1,314,824	20,197,663	20,052,181
3	VEHICAL	8,617,993	2,902,702	11,520,695	616,538	991,805	1,608,343	9,912,352	8,001,455
4	OFFICE EQUIPMENT	2,220,322	279,716	2,500,038	85,226	111,427	196,653	2,303,385	2,135,096
5	COMPUTER	1,065,786	191,138	1,256,924	128,944	190,934	319,878	937,046	936,842
6	FURNITURE & FIXTURE	2,433,608	334,047	2,767,655	59,502	160,819	220,321	2,547,333	2,374,106
	TOTAL	73,339,596	4,571,603	77,911,199	1,486,516	2,173,505	3,660,021	74,251,178	71,853,080

PARTICULARS	As at 31st Dec 2008 (Amount in Rs.)
SCHEDULE 'E'	
Investment (Unquoted - Long Term)	
(a) 9994 Equity shares of Rs. 10/- each of MVL Construction Ltd.	99,940
Investment (Quoted - Long Term)	
(b) 50,000 Equity shares of Rs. 10/- each of Burnpur Cement Ltd. (Market Value Rs.4,90,500.00)	1,503,371
	<u>1,603,311</u>
SCHEDULE 'F'	
Current Assets , Loans & Advances	
A Closing Stock	
[As per value taken and certified by the Management]	
Project Work in Progress (at Cost)	1,324,387,019
Materials at Site	4,452,193
	<u>1,328,839,212</u>
B Sundry Debtors (Unsecured)	
(considered good unless otherwise specified)	
Due for Over Six months	
Due for less than six months	604,805,180
	<u>604,805,180</u>
C Cash & Bank Balances	
Cash Balances	671,774
Balances with Scheduled Banks	8,773,683
	<u>9,445,457</u>
D Loans & Advances	
(Unsecured considered good unless otherwise specified)	
Advances for Land and Land Development	212,541,066
Security Deposits	1,015,476
Advances to Contractors & Suppliers	15,803,531
Other advances recoverable in Cash or in Kind or for value to be recd.	14,093,549
	<u>243,453,622</u>

PARTICULARS	As at 31st Dec 2008 (Amount is Rs.)
SCHEDULE 'G'	
Current Liabilities & Provisions	
A Sundry Creditors	
For Security Deposit	2,883,459
For Construction & Land Development	379,913,224
For Expenses & Others	12,166,371
For Advances from Customers	471,076,918
	<u>866,039,972</u>
B Provisions	
Provision for Income Tax	55,100,000
Provision for Fringe Benefit Tax	500,000
Provision for Gratuity	295,723
Proposed Dividend on Equity Shares	26,382,325
Provision for Dividend Tax	4,483,676
	<u>86,761,724</u>
SCHEDULE 'H'	
Miscellaneous Expenditure	
Preliminary Expenses	173,060
Deferred Revenue Expenses	-
	<u>173,060</u>
SCHEDULE 'I'	
Income from Operation	
Sale of Flats	1,202,623,855
Other Contracts	-
	<u>1,202,623,855</u>
SCHEDULE 'J'	
Other Income	
Interest from Customers	1,074,603
Interest from Bank	192,791
	<u>1,267,394</u>
SCHEDULE 'K'	
Cost of Construction/Development	
Project WIP (Opening Balance)	1,722,447,944
Stock of Cement & Iron & Steel (Opening Balance)	3,972,368
Direct Construction cost	194,928,718
Land & Development Costs	246,790,145
Other Indirect Costs	95,915,993
Total cost upto 31.12.2008	<u>2,264,055,168</u>
Less: WIP(Closing stock)	
Building Materials	4,452,193
Project WIP	1,314,759,414
	<u>944,843,561</u>

PARTICULARS	As at 31st Dec 2008 (Amount is Rs.)
SCHEDULE 'L'	
Employee Cost	
Salary, Allowances & Welfare	19,983,323
Bonus	990,088
Contribution to Provident Fund	286,984
	<u>21,260,395</u>
SCHEDULE 'M'	
Administrative Cost	
Books & Periodicals	31,520
Conveyance Expenses	1,524,353
Audit Fees	130,000
Preliminary Exp. W/off	17,312
Donation	15,000
Electricity Expenses	166,444
Insurance	72,957
Legal & Professional Charges	6,479,176
Meeting Expenses	434,318
Membership Fee	1,057,504
Office Expenses	810,765
Postage & Telegram	149,802
Printing & Stationery	634,892
Rate, Fee & Taxes	3,680,260
Rent	2,960,000
Repair & Maintenance	2,800,292
Telephone Exp.	913,180
Watch & Ward	1,128,842
	<u>23,006,617</u>
SCHEDULE 'N'	
Selling & Distribution Expenses	
Business Promotion	310,270
Advertisement	12,238,983
Commission & Brokerage	783,013
Travelling Expenses (Director)	2,028,300
Travelling Expenses (Others)	3,772,337
	<u>19,132,903</u>
SCHEDULE 'O'	
Finance Cost	
Bank Charges	1,896,456
Interest on Loan	14,703,356
	<u>16,599,811</u>

SCHEDULE "P"**A) PRINCIPLES OF CONSOLIDATION.**

1. The consolidated accounts are prepared based on line-by-line consolidation of the profit and Loss account and Balance Sheet of MVL Ltd. and its subsidiary. The consolidation adjustments have been made in respect of intra group transactions.
2. These consolidated financial accounts are prepared in accordance with Accounting Standard (AS)-21 on Consolidated Financial Statements & Accounting Standard (AS)-23 on Accounting for Investment in associates in consolidated Financial Statements.
3. In view of no subsidiary of company during the last year for the purpose of consolidated cash flow statements increase/decrease has been worked out by adopting the stand alone figures of MVL Ltd. As at 31.12.2007.

B) Significant Accounting Policies**i) Basis of Accounting**

The financial statements are prepared under the historical cost convention, using accrual basis of accounting, in accordance with the generally accepted accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 (The Act)

ii) Use of Estimates

The presentation of financial statement 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 period. Actual results could differ from those estimates and any revision is recognized in the current and future periods.

iii) Revenue Recognition**a) Real Estate Projects**

Revenue from Real Estate Projects is recognized on the 'Percentage of Completion method' (POC) of accounting. Revenue under the POC method is recognized on the basis of percentage of actual costs incurred, including land, construction and development cost of projects under execution subject to such actual cost being 25 percent of the total estimated cost of projects.

The state of completion under the POC method is measured on the basis of percentage that actual costs incurred on real estate projects including land, construction and development cost bears to the total estimated cost of the project. The estimates of the projected revenues, projected profits, projected costs, cost to completion and the foreseeable loss are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined.

b) Interest due on delayed payments of installments from customers is accounted on receipt basis due to uncertainty of recovery.

iv) Fixed Assets

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

v) Depreciation

- a) Depreciation on fixed assets is provided on the straight line method at the rates and as per the manner prescribed in Schedule XIV of the Act.
- b) Depreciation on additions/ deletions to fixed assets is provided on pro-rata basis from the date the asset is put to use/discarded.
- c) Individual Assets costing less than Rs.5000.00 are depreciated in full in the year of purchase.

vi) Inventories

- a) Building material and consumable stores are valued at lower of cost or market value on 'First in First out' method.
- b) Work in progress (Projects) including cost of land is valued at cost.

vii) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If an 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.

viii) **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.

ix) **Borrowing Cost**

- a) Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets for the period up to the completion/installation or construction of such assets respectively are capitalized as part of the cost of such asset.
- b) All other borrowing costs are charged to revenue in the year in which they are incurred.

x) **Taxes on Income**

- a) (i) The tax year for the company being the year ending 31st March, provision for taxation for the year is the provision based on figures for the year ending 31st Dec'08. The ultimate tax liability of which will be determined on the basis of the figures for the financial year 2008-09.
- (ii) Out of the three projects on which revenue is recognized, for the first project, the company is availing exemption from income tax under section 80IB (10) of the Income Tax Act, 1961.

b) **Deferred Tax**

Deferred Taxation is provided using the liability method in respect of the tax effect arising from all material timing differences between the accounting and tax treatment of Income and expenditure which are expected with reasonable profitability to crystallize in foreseeable future.

Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in the near future.

xi) **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 profit and loss account.
- b) Provision for gratuity and Leave Encashment is made on actuarial valuation, as per Accounting Standard (AS)-15.

xii) **Accounting Standards**

The Company follows all applicable accounting standards as required under Section 211 (3) (C) of the Act.

xiii) **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.

xiv) **Deferred Revenue Expenses**

- a) In terms of Accounting Standard (AS)-26, balance of Deferred Revenue expense of Rs.9,80,998.00 has been amortized during the year.
- b) Preliminary expenses are being amortized in ten annual equated installments.

C) Notes to Accounts

1. Since there was no subsidiary during the preceeding year, there are co comparable consolidated figures for previous year.
2. Determination of Revenues under 'Percentage of Completion Method' necessarily involves making estimates by management for percentage of completion, cost to completion, revenues expected from projects, projected profits and foreseeable losses. **These estimates being of technical nature have been relied upon by the Auditors**

For the Year
Ended on
31.12.08
(Rs. In Lacs)

3. Earning per Share (EPS)

Profit attributable to the equity share holders	(A)	902.78
Number of Equity Shares	(B)	5,27,64,649
Basic/Diluted Earnings per share	(A)/ (B)	1.71

4. The Company's operations comprise of one Segment only i.e. 'Real Estate Projects Development'. There are no other businesses /geographical segments to be reported as per Accounting Standard (AS)-17.
5. In the opinion of Directors, the current assets and loans and advances 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.
6. Small Scale Industrial Undertaking to whom sum exceeding Rs. 1,00,000/- each are outstanding for more than 30 days is Rs. NIL. This information has been identified by the Management and relied upon by the auditors.
7. Debit and credit balances in respect of Sundry Debtors, Creditors, Deposits, Loans and advances are taken as shown by the Books of Account and certain balances are subject to confirmation and consequent adjustment and reconciliation, if any.

8. Auditors Remuneration Covers.

For Statutory Audit & Tax Audit	1.20
For Taxation matters	0.30

9. Directors Remuneration Covers.

Salaries	12.87
Sitting fees	0.96
Commission	12.39

10. Disclosure of Related Party Transactions in accordance with Accounting Standard(AS)-18 "Related Party Disclosures".
(1) Relationship

- a) Related parties in which key managerial personnel or their relatives have significant influence;
- MVL Industries Ltd.
 - Balaji Tirupati Buildcon Ltd.
 - Media Magnetic Cassettes Pvt.Ltd
 - MVL Constructions Ltd.
 - Media Infrastructure Ltd.
 - MVL Credits Holdings & Leasing Pvt.Ltd.
 - Media Holdings Pvt.Ltd.
 - Risbro Technical Equipments Pvt.Ltd.
 - Global Digital Tech.Ltd.
 - MVL Solar Power Ltd.
 - Sh. Balaji Tirupati Electronics Pvt.Ltd.
- b) Key Managerial Personnel with whom transactions have taken place:
- Mr. Prem Adip Rishi
 - Mr. Praveen Kumar
- c) Relatives of key managerial personnel where transactions have taken place.
- Mr.Anukool Rishi
 - Mr.Arjun Rishi

2) Summary of transactions carried out with related parties (as identified above by the Company and relied upon by the Auditors)
Rs. In Lacs

Sl. No.	Nature of Transactions	Referred in 10(1)(a)	Referred in 10(1)(b)	Referred in 10(1)(c)	Total for the year ended on 31/12/08
i	Investment in Share Capital(non listed)	10.00	-	-	10.00
ii	Investment in Share Capital(listed)	15.03	-	-	15.03
iii	Share Application Paid	42.04	-	-	42.04
iv	Sale of Investment	9.00	-	-	9.00
v	Transactions in Securities	466.64	-	-	466.64
vi	Unsecured Loan taken	739.90	-	-	739.90
vii	Real Estate Project Development cost under collaboration	39.87	-	-	39.87
viii	Director remuneration/ Commission	-	25.26	-	25.26
ix	Rent	-	-	29.60	29.60
x	Technical Training	-	-	1.25	1.25
xi	Salary	-	-	2.53	2.53
xii	Financial Charges	59.59	-	-	59.59
xiii	Sale of Projects	6078.00	-	-	6078.00
xiv	Advance received against sale of Projects	5427.00	-	-	5427.00

For the Year Ended
on 31.12.08
(Rs. In Lacs)
2750.13

- 3) (a) Sundry Debtors include debts due from firms/Private Ltd. Companies in which some of the Directors are Interested. Nil
- (b) Sundry Debtors include debts due from Limited Companies in which some of the Directors are interested. Nil
- (c) Loans and advances include recoverable from firms /Ltd Companies in which some of the Directors are interested. 2.26
- (d) Sundry Creditors include outstanding balance payable to Companies in which Directors are interested. 3624.798

11 As per the best estimate of the Management, no provision is required to be made as per the Accounting Standard (AS)-29 issued by the Institute of Chartered Accountants of India, in respect of any present obligation as are result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

12. Information pursuant to paragraph 3 & 4 of Part II of Schedule VI of the Act to the extent applicable is given below:- 12,026.24

- a) Gross Revenue from project (Real Estate)
- b) Work in progress 13,288.39
Opening balance 74.86
- Closing Balance Nil
- c) Brokerage on Sales Nil
- d) Earnings in Foreign Currency 12.94
- e) Expenditure in Foreign currency Nil
- For Traveling Nil
- For others Nil
- f) CIF Value of Imports

Signature for Schedule "A" to "P"

Subject to our report even date
For ARUN KISHORE & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
CA Arun Kishore
Partner
Membership No. 10770
Place : New Delhi
Date : 2nd June, 2009

Sd/-
(Praveen Adip Rishi)
Director

Sd/-
(Praveen Kumar)
Whole Time Director

Sd/-
(Rakesh Gupta)
Director

Sd/-
(Sushil Aggarwal)
Vice President cum
Company Secretary



Consolidated Cash Flow Statement for the year ended 31.12.2008

S. No.	PARTICULARS	For The Year Ended 31.12.2008 (Rs. in Lacs)
A)	Cash flow from Operating activities	
	Net profit before taxation & extraordinary items	1768.74
	Adjustment for	
	- Depreciation	21.74
	Revenue Exp./other claims written off	0.25
	Interest charges	166.00
	Interest /other income received	(12.67)
	Operating Profit before working capital changes	1944.06
	Adjustment for (increase)/decrease in -	
	Trade Receivables	(1460.13)
	Other Receivables	(1,122.36)
	Inventories / Projects Work in Progress (Including Projects Trf. under Scheme of arrangement)	3975.81
	Trade payables and others	(4928.41)
	Cash generated from operations	(1591.03)
	Direct Taxes paid	(4.00)
	Extraordinary items.	(63.04)
	Net cash flow from Operative Activity	(1,658.07)
B)	Cash Flow from investing activities.	
	Investments	(6.03)
	Purchase of property, plant, equipment & other long term assets	(45.72)
	Sale proceeds of property, plant, equipment & other long term asset	(466.43)
	Net Fixed Assets transferred under Scheme of Arrangement	-
	Interest received & other Misc. Income	12.67
	Deferred Revenue Expenditure	-
	Net Cash from investing activities.	(505.51)
C)	Cash Flow from Financing Activities	
	Interest and similar charges paid	(166.00)
	Lease Rent Liabilities paid	-
	Increase in Share Capital/ Convertible Warrants/ Share Application	-
	Increase/(Decrease) in cash Credit Utilisation	2,289.01
	Net Cash from Financing Activities	2,123.01
	Net increase in cash and cash equivalents (A+B+C)	(40.57)
	Cash and Bank Equivalent (opening balance)	135.02
	Cash and Bank Equivalent (closing balance)	94.45

FOR AND ON BEHALF OF THE BOARD

Sd/-
PREM ADIP RISHI
Director

Sd/-
PRAVEEN KUMAR
Wholetime Director

Sd/-
RAKESH GUPTA
Director

Sd/-
SUSHIL AGGARWAL
Vice President cum Company Secretary

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of MVL Limited for the year ended 31st December, 2008. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 2nd June, 2009 to the members of the Company.

For **ARUN KISHORE & COMPANY**
Chartered Accountants

Sd/-
CA ARUN KISHORE
PARTNER
MEMBERSHIP NO.10770

Place : New Delhi
Date : 2nd June, 2009



MVL Limited

Registered Office: B-86/1, Okhla Industrial Area, Phase – II, New Delhi – 110020

ATTENDANCE SLIP 2nd ANNUAL GENERAL MEETING

DP Id.

Folio No.

Client ID

No. of Shares held

Member's Name

Complete Address

.....

I/We hereby record my/our presence at the 2nd Annual General Meeting of the Company to be held on Monday, 29th June, 2009, at 11.30 A.M., at Air Force Auditorium, Subroto Park, New Delhi-110010.

.....
Member's Signature

If proxy attends instead of Member:

Proxy's Name **Proxy's Signature**

Note: Members/Proxy holders wishing to attend the meeting must bring their duly filled and signed Attendance Slip with them. **NO GIFT/COUPON WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**



MVL Limited

Registered Office: B-86/1, Okhla Industrial Area, Phase – II, New Delhi – 110020

PROXY FORM

I/We R/o

being a member/members of MVL Limited, hereby appoint Mr./Ms.

R/o or

failing him/her, Mr./Ms. R/o as my/our

proxy in my/our absence to attend and to vote for me/us on my/our behalf at the 2nd Annual General Meeting of the

Company to be held on Monday, 29th June, 2009, at 11.30 A.M., at Air Force Auditorium, Subroto Park, New Delhi-

110010 and at any adjournment thereof.

DP Id.....

Folio No.

Client ID.....

No. of Shares held

Proxy's Name

Proxy's Signature

Signature of the Member

Signed this day of 2009

Affix
Re. 1/-
Revenue
Stamp



MVL Limited

Registered Office: MEDIA HOUSE, B-86/1, Okhla Industrial Area, Phase- II, New Delhi-110 020.
Tel: 011-41613145-46. Fax: 011-26385832.

Corporate Office: Millennium Plaza, Tower A Ground Floor, Sushant Lok- I, Sector 27, Gurgaon-122002(Haryana)
Tel: 0124-4525100. Fax: 0124-4525135. E-mail: info@mvl.in, website: www.mvl.in