

**30<sup>th</sup>**  
**ANNUAL REPORT**  
**2012-2013**

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**MFL INDIA LIMITED**

**BOARD OF DIRECTORS****Anil Thukral**

Director

**Palakuzhil Verghese Mohan**

Director

**Sudhir Kumar Sharma**

Director

**Devendra Manchanda**

Director

**Sheetal Thukral**

Additional Director

**MANAGER****Arimardan Pratap Singh**

Manager

**Compliance Officer****Vivek Khosla****Auditors****M/S SRY & Associates,**

Chartered Accountants

New Delhi

**BANKERS**

State Bank of India

**Share Transfer Agents**

Link Intime India Pvt. Ltd.

44, Community Centre, 2nd Floor,

Naraina Industrial Area, Ph-I

Near PVR Naraina,

New Delhi-110028

Tel-91-11-4140592-93-94

Fax-91-11-41410591

**For Dematerialisation of Shares**

ISIN No. : INE244C01012.

**Registered Office**

B-802, Munirka Apartments,

Plot No. 11, Sector-9,

Dwarka, New Delhi – 110 075.

Email-mfldelhi81@gmail.com

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**NOTICE**

Notice is hereby given that 30<sup>th</sup> Annual General Meeting of MFL India Limited will be held on Monday, 30<sup>th</sup> September, 2013 at 9.00 A.M at G-8, Harsh Bhawan , 64-65, Nehru Place New Delhi –110 019 to transact the following businesses.

**Ordinary Business:****Item No.1**

To receive, consider and adopt the Audited accounts of the Company for the year ended 31<sup>st</sup> March, 2013 together with the Reports of auditors and directors thereon.

**Item No.2**

To appoint a Director in place of Mr. Anil Thukral, who retires by rotation and being eligible, offers himself for re-appointment.

**Item No. 3**

To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. SRY & Associates, Chartered Accountants, are eligible for re-appointment.

**Special Business:****Item No. 4****Appointment of Mrs. Sheetal Thukral as a Director**

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

**“RESOLVED THAT** Mrs. Sheetal Thukral, who was appointed as an Additional Director of the Company w.e.f. 6<sup>th</sup> March, 2013 and who holds the office pursuant to Section 260 of the Companies Act, 1956 ( hereinafter referred to as “ the Act” ) , upto the date of this Annual General meeting and in respect of whom the Company has received a notice under Section 257 of the Act, in writing, proposing his candidature for the office of director, be and is hereby appointed as a director of the Company.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), and subject to the approval of members, the Company hereby approves the appointment and terms of remuneration of Mrs. Sheetal Thukral as “Whole Time Director” of the Company for a period of 5 (five) years with effect from 30<sup>th</sup> September, 2013 on the remuneration and terms and conditions as set out in the explanatory statement annexed to the notice convening this meeting.”

**“RESOLVED FURTHER THAT** the Board of Directors (on the recommendations of the Remuneration Committee) be and are hereby authorized to revise, amend, alter and vary the remuneration and other terms and conditions of the appointment of Mrs. Sheetal Thukral as “Whole time Director” in such manner as may be permissible in accordance with the provisions of the Companies Act, 1956 and Schedule XIII as may be agreed to by and between the Board of Directors and Mrs. Sheetal Thukral, without any further reference to the shareholders in general meeting.”

**“RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year during the term of office of Mrs. Sheetal Thukral as “Whole Time Director”, she shall be paid the remuneration, allowances and perquisites as set out in the explanatory statement.”

**“RESOLVED FURTHER That** the Board of Directors be and are hereby authorized to take all actions and steps expedient or desirable to give effect to this resolution.”

**Item No. 5****Appointment of Mr. Anil Thukral as a “Chairman cum Managing Director”**

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

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment or modification thereof), consent and approval of the members be and is hereby accorded to the appointment of Mr. Anil Thukral as “Chairman cum Managing Director” of the Company for a period of 5 (five) years with effect from 30<sup>th</sup> September, 2013 on the remuneration and terms and conditions as set out in the explanatory statement annexed to the notice convening this meeting.”

**“RESOLVED FURTHER THAT** the Board of Directors (on the recommendations of the Remuneration Committee) be and are hereby authorized to revise, amend, alter and vary the remuneration and other terms and conditions of the appointment of Mr. Anil Thukral as “Chairman cum Managing Director” in such manner as may be permissible in accordance with the provisions of the Companies Act, 1956 and Schedule XIII as may be agreed to by and between the Board of Directors and Mr. Anil Thukral, without any further reference to the shareholders in general meeting.”

**“RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year during the term of office of Mr. Anil Thukral as “Chairman cum Managing Director”, he shall be paid the remuneration, allowances and perquisites as set out in the explanatory statement.”

**“RESOLVED FURTHER That** the Board of Directors be and are hereby authorized to take all actions and steps expedient or desirable to give effect to this resolution.”

**By the Order of the Board  
For MFL India Limited**

Place: New Delhi  
Date: 5<sup>th</sup> September, 2013

**Anil Thukral  
Director  
DIN - 01168540**

**Notes:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SEND IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY COMPLETE IN ALL RESPECT NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. A BLANK PROXY FORM IS ENCLOSED FOR USE, IF NECESSARY, BY THE MEMBER.**
2. The Explanatory statement pursuant to Section 173(2) for item no. 4 & 5 is attached here with.
3. Shareholders are requested to promptly notify any change in their addresses.
4. The Register of Members and Share transfer books of the company shall remain closed from 26<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013 (both days inclusive).
5. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
6. It will be appreciated that queries, if any, on accounts and operations of the company are sent to the registered office of the company ten days in advance of the meeting so that the information may be made readily available.
7. Members are requested to bring their copy of Annual Report to the Meeting.

**ADDITIONAL INFORMATION AS PER CLAUSE (49), OF LISTING AGREEMENT****Brief Profile of Directors who are retiring by rotation and are eligible for re-appointment:**

|   |  |
|---|--|
| Name of Director  | Mr.Anil Thukral  |
| Age   | 43 Years   |
| Nationality   | Indian   |
| Shares held in the Company  | 20,038,240   |
| Qualification   | Graduate in Commerce   |
| Expertise in specific functional area                             | After graduating, he started working with the family company.<br>During that time, he gained Valuable experience and knowledge in the business of Transportation and Logistics |
| Directorships held in other Indian Companies                      | One  |
| Chairmanships/Memberships of committees in other Indian Companies | NIL  |
| Inter-se Relationship with other Directors                        | Husband of Mrs. Sheetal Thukral  |

**EXPLANATORY STATEMENT [Pursuant to Section 173(2) of the Companies Act, 1956]****ITEM NO. 4**

The Board of Directors of your Company had co-opted Mrs. Sheetal Thukral, as Additional Director in the Board meeting of the Company held on 6<sup>th</sup> March, 2013.

As per Section 260 of the Companies Act, 1956 she will hold office upto the date of this Annual General Meeting. The Company has received a notice in writing in terms of Section 257 of the Companies Act, 1956 along with a requisite deposit, proposing her candidature for the office of director of the Company.

The Board of Directors, subject to approval of Shareholders and on the recommendation of the Remuneration Committee, also appointed Mrs. Sheetal Thukral as the "Whole Time Director of the Company for a period of 5 years with effect from September 30, 2013 on the terms and conditions mentioned hereinafter:

**Terms and Conditions:**

- Mrs. Sheetal Thukral has been appointed as Whole Time Director of the Company for a period of 5 (Five) years from September 30, 2013.
- The Whole Time Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to her by the Board from time to time and separately communicated to her and exercise such powers as may be assigned to her, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
- The Whole Time Director shall not exceed the powers so delegated by the Board pursuant to Clause 2 above.
- The Whole Time Director undertakes to employ the best of his skill and ability to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
- Mrs. Sheetal Thukral declared to the Company that she does not suffer from any of the disabilities detailed in Section 267 and 274 (1) and Schedule XIII of the Companies Act of 1956 and her appointment is inter-alia based on the representation made in the said declaration.
- Mrs. Sheetal Thukral shall, so long as she continues to be the Whole Time Director of the Company be paid the following remuneration:

**I. Remuneration:**

- (i) Basic Salary: Rs. 30,000/- (Rupees Thirty Thousands only) per month. The annual increment, which will be effective from 1st April each year will be decided by the Board/Committee on merit and will take into account the Company's performance, as well.
- (ii) Benefits, Perquisites & Allowances: In addition to the basic salary referred above, the "Whole Time Director" would be entitled to:
  - (a) House rent allowance Rs. 15000/- (Rupees Fifteen Thousands only) per month.
  - (b) Transport allowance Rs. 5000/- (Rupees Five Thousands Only) per month.

**II. Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay to the Whole Time Director, remuneration by way of salary, benefits, perquisites & allowances as specified above.

**III. Other terms of appointment:**

- (i) The Whole Time Director shall not be entitled to sitting fees for attending meetings of the Board of Directors of the Company or any Committee(s) thereof.
- (ii) The terms and conditions of the appointment of the Whole Time Director may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule XIII or any other provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and the Whole Time Director, subject to such approvals as may be required.
- (iii) The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- (iv) The employment of the Whole Time Director may be terminated by the Company without notice or payment in lieu of notice:
  - (a) if the Whole Time Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which she is required by the Agreement to render services; or
  - (b) in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Whole Time Director of any of the stipulations contained in the agreement to be executed between the Company and the Whole Time Director; or
  - (c) in the event the Board expresses its loss of confidence in the Whole Time Director.
- (v) In the event the Whole Time Director is not in a position to discharge her official duty due to any physical or mental incapacity, the Board shall be entitled to terminate her contract on such terms as the Board may consider appropriate in the circumstances;
- (vi) Upon termination by whatever means of the Whole Time Director's employment :
  - (a) the Whole Time Director shall immediately tender her resignation as Director of the Company and from such other offices held by her in the Company, in any subsidiary or associated company and other entities without claim for compensation for loss of office.
  - (b) the Whole Time Director shall not without the consent of the Company at any time thereafter represent herself as connected with the Company or any of its subsidiaries or associated companies.
- (vii) The Whole Time Director is being appointed by virtue of his employment in the Company and her appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956 while at the same time, the Whole Time Director will not be liable to retire by rotation.
- (viii) The terms and conditions of appointment of the Whole Time Director also include clauses pertaining to adherence to the Company Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.

- (ix) If and when the agreement expires or is terminated for any reason whatsoever, the Whole Time Director will cease to be a Director. If at any time the Whole Time Director ceases to be a Director of the Company for any reason whatsoever, she shall cease to be the Whole Time Director and the agreement shall forthwith terminate. If at any time, the Whole Time Director ceases to be in the employment of the Company for any reason whatsoever, she shall cease to be a Director and Whole Time Director of the Company.

The draft of the agreement to be entered into between the company and Mrs. Sheetal Thukral is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day.

Since, the proposed remuneration of Mrs. Sheetal Thukral has exceeds the limits specified under Companies Act, 1956, and the profits are inadequate, the approval of the Shareholders is sought by way of Special Resolution for approving the terms and conditions of her appointment and payment of remuneration as per schedule XIII of Companies Act, 1956.

The Board commends the resolution under Item No.4 for approval.

Mrs. Sheetal Thukral is concerned or interested in Item No.4 of the Notice.

**Additional information relevant to the said appointments/payment of remuneration as per Schedule XIII of companies Act, 1956:**

**I. General Information:**

- i) Nature of Industry: The Company is engaged in the business of Providing Services, Solutions, Management & Consultancy for Logistics, Reverse Logistics, Global Logistics, Multimodal Logistics, Mining Logistics, Oil & Gas Logistics, Cold Chain Logistics, Containerized Logistics, Environmental Logistics, Supply & Demand Chain, Distribution.
- ii) Date of commencement of commercial production: The Company has operated in the service sector and the company has no inventory. Hence this point is not applicable on the company.
- iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- iv) Financial performance based on given indicators - as per published audited financial results for the year ended March 31, 2013:

| Particulars             | (Rupees in Lakhs) |
|-------------------------|-------------------|
| Turnover & Other Income | 9045.00           |
| Profit before tax       | 107.63            |
| Profit after tax        | 22.75             |

- v) Export performance and foreign exchange earned for the financial year ended March 31, 2013: NIL
- vi) Foreign investments or collaborators, if any: NIL

**II. Information about the appointee:**

**i) Background details:**

Mrs. Sheetal Thukral was appointed as an Additional Director with effect from March 06, 2013 by the Board of Directors of MFL India Limited. Mrs. Sheetal Thukral, aged 41 years, is a visionary in the field of transportation and logistics business and is well versed with experience in the line and expertise to run a successful transportation and logistics business. She holds a Bachelor's degree in Arts. The Board of Directors considers that in view of the background and experience of Mrs. Sheetal Thukral, it would be in the interest of the Company to appoint her as "Whole Time Director" of the Company.

**ii) Past Remuneration drawn: NIL**

**iii) Job Profile and suitability:**

Mrs. Sheetal Thukral has been appointed as the "Whole Time Director" of the Company for a period of 5years with effect from September 30, 2013. Prior to joining MFL India, Mrs. Thukral was Director and holding managerial positions in many other companies and gained a vast experience in same line of business. The Board considered Mrs. Sheetal Thukral for the position of "Whole Time Director" of the Company due to the vast experience and managerial skill possessed by her.

**iv) Remuneration proposed:**

- (i) Basic Salary: Rs. 30,000/- (Rupees Thirty Thousands only) per month. The annual increment, which will be effective from 1st April each year will be decided by the Board/Committee on merit and will take into account the Company's performance, as well.
- (ii) Benefits, Perquisites & Allowances: In addition to the basic salary referred above, the "Whole Time Director" would be entitled to:
  - (a) House rent allowance Rs. 15000/- (Rupees Fifteen Thousands only) per month.
  - (b) Transport allowance Rs. 5000/- (Rupees Five Thousands Only) per month.

**v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mrs. Sheetal Thukral, responsibility to be shouldered by her and the industry bench mark, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other companies.

**vi) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Beside the remuneration proposed, the "Whole Time Director" do not have any other pecuniary relationship with the Company and its managerial personnel.

**III. Other Information:**

- (i) Reasons of loss or inadequate profits: In the year 2010, before amalgamation the company has total accumulated loss of Rs. 55,892,315.71. After getting amalgamated your company is trying to improve the business and each year set off the huge amount of loss. Due to set off of losses your company profits has been effected and it has become the major reason of inadequacy.
- (ii) Steps taken or proposed to be taken for improvement: Company is trying to explore more opportunities and Benchmarking business processes and costs to improve efficiency.
- (iii) Expected increase in profits in measurable terms: The company is expected to grow at fast pace in the coming years

Apart from your company MFL India Limited Mrs. Sheetal Thukral currently does not hold directorship in any other company in term of section 275.

The Board of Directors recommends the resolution as set out at Item No.4 for the approval of the Members as Special Resolution.

**ITEM NO. 5**

Mr. Anil Thukral, aged 43 years, is a visionary in the field of transportation and logistics business and is well versed with experience of 20 years in the line and expertise to run a successful transportation and logistics business. He holds a Bachelor's degree in Commerce. The Board of Directors considers that in view of the background and experience of Mr. Anil Thukral, it would be in the interest of the Company to appoint him as "Chairman cum Managing Director" of the Company. The Board recommends the resolution for your approval.

Mr. Anil Thukral plays a very critical and significant role in decision making of the board. He also brings in strategic guidance, leadership and an independent view to the Company's Management with discharging their fiduciary responsibilities, thereby ensuring that the Management adheres to highest standards of ethics, transparency and disclosure.

The Board of Directors, subject to approval of Shareholders and on the recommendation of the Remuneration Committee, appoint Mr. Anil Thukral as the "Chairman cum Managing Director" of the Company for a period of 5 years with effect from September 30, 2013 on the terms and conditions mentioned hereinafter:



**Terms and Conditions:**

1. Mr. Anil Thukral has been appointed as "Chairman cum Managing Director" of the Company for a period of 5 (Five) years from September 30, 2013.
2. The "Chairman cum Managing Director" shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
3. The "Chairman cum Managing Director" shall not exceed the powers so delegated by the Board pursuant to Clause 2 above.
4. The "Chairman cum Managing Director" undertakes to employ the best of his skill and ability to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
5. Mr. Anil Thukral declared to the Company that he does not suffer from any of the disabilities detailed in Section 267 and 274 (1) and Schedule XIII of the Companies Act of 1956 and his appointment is inter-alia based on the representation made in the said declaration.
6. Mr. Anil Thukral shall, so long as he continues to be the "Chairman cum Managing Director" of the Company be paid the following remuneration:

**I. Remuneration:**

- (i) Basic Salary: Rs. 60,000/- (Rupees Sixty Thousands only) per month. The annual increment, which will be effective from 1st April each year will be decided by the Board/Committee on merit and will take into account the Company's performance, as well.
- (ii) Benefits, Perquisites & Allowances: In addition to the basic salary referred above, the "Chairman cum Managing Director" would be entitled to:
  - (a) House rent allowance Rs. 24,000/- (Rupees Twenty Four Thousands only) per month.
  - (b) Transport allowance Rs. 16,000/- (Rupees Sixteen Thousands Only) per month.

**II. Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of the "Chairman cum Managing Director", the Company has no profits or its profits are inadequate, the Company will pay remuneration to the "Chairman cum Managing Director" by way of salary, benefits, perquisites & allowances as specified above.

**III. Other terms of appointment:**

- (i) The "Chairman cum Managing Director" shall not be entitled to sitting fees for attending meetings of the Board of Directors of the Company or any Committee(s) thereof.
- (ii) The terms and conditions of the appointment of the "Chairman cum Managing Director" may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule XIII or any other provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and the "Chairman cum Managing Director", subject to such approvals as may be required.
- (iii) The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- (iv) The employment of the "Chairman cum Managing Director" may be terminated by the Company without notice or payment in lieu of notice:
  - (a) if the "Chairman cum Managing Director" is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
  - (b) in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the "Chairman cum Managing Director" of any of the stipulations contained in the agreement to be executed between the Company and the "Chairman cum Managing Director", or
  - (c) in the event the Board expresses its loss of confidence in the "Chairman cum Managing Director".

- (v) In the event the "Chairman cum Managing Director" is not in a position to discharge his official duty due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances;
- (vi) Upon termination by whatever means of the "Chairman cum Managing Director" employment:
- the "Chairman cum Managing Director" shall immediately tender his resignation as Director of the Company and from such other offices held by him in the Company, in any subsidiary or associated company and other entities without claim for compensation for loss of office.
  - the "Chairman cum Managing Director" shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associated companies.
  - The "Chairman cum Managing Director" is being appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956 while at the same time, the "Chairman cum Managing Director" will not be liable to retire by rotation.
  - The terms and conditions of appointment of the "Chairman cum Managing Director" also include clauses pertaining to adherence to the Company Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.
  - If and when the agreement expires or is terminated for any reason whatsoever, the "Chairman cum Managing Director" will cease to be a Director. If at any time the "Chairman cum Managing Director" ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the "Chairman cum Managing Director" and the agreement shall forthwith terminate.

The draft of the agreement to be entered into between the company and Mr. Anil Thukral is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day.

Since, the proposed remuneration of Mr. Anil Thukral has exceeds the limits specified under Companies Act, 1956 and profits are inadequate, the approval of the Shareholders is sought by way of Special Resolution for approving the terms and conditions of his appointment and remuneration as per schedule XIII of Companies Act, 1956.

The Board commends the resolution under Item No.5 for approval.

Mr. Anil Thukral is concerned or interested in Item No.5 of the Notice.

**Additional information relevant to the said appointments/payment of remuneration as per Schedule XIII of companies Act, 1956:**

**I. General Information:**

- Nature of Industry: The Company is engaged in the business of Providing Services, Solutions, Management & Consultancy for Logistics, Reverse Logistics, Global Logistics, Multimodal Logistics, Mining Logistics, Oil & Gas Logistics, Cold Chain Logistics, Containerized Logistics, Environmental Logistics, Supply & Demand Chain, Distribution.
- Date of commencement of commercial production: The Company has operated in the service sector and the company has no inventory. Hence this point is not applicable on the company.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- Financial performance based on given indicators - as per published audited financial results for the year ended March 31, 2013:

| Particulars             | (Rupees in Lakhs) |
|-------------------------|-------------------|
| Turnover & Other Income | 9045.00           |
| Profit before tax       | 107.63            |
| Profit after tax        | 22.75             |

v) Export performance and foreign exchange earned for the financial year ended March 31, 2013: NIL

vi) Foreign investments or collaborators, if any: NIL

## II. Information about the appointee:

### i) Background details:

Mr. Anil Thukral, aged 43 years, is a visionary in the field of transportation and logistics business and is well versed with experience of 20 years in the line and expertise to run a successful transportation and logistics business. He holds a Bachelor's degree in Commerce. The Board of Directors considers that in view of the background and experience of Mr. Anil Thukral, it would be in the interest of the Company to appoint him as "Chairman cum Managing Director" of the Company.

### ii) Past Remuneration drawn: NIL

### iii) Recognition & Awards/Achievements:

After graduating, he started working with the family company. During that time, he gained Valuable experience and knowledge in the business of Transportation and Logistics

### iv) Job Profile and suitability:

Mr. Anil Thukral, aged 43 years, is a visionary in the field of transportation and logistics business and is well versed with experience of 20 years in the line and expertise to run a successful transportation and logistics business. He holds a Bachelor's degree in Commerce. The Board of Directors considers that in view of the background and experience of Mr. Anil Thukral, it would be in the interest of the Company to appoint him as "Chairman cum Managing Director" of the Company. The Board recommends the resolution for your approval.

### v) Remuneration proposed:

(i) Basic Salary: Rs. 60,000/- (Rupees Sixty Thousands only) per month. The annual increment, which will be effective from 1st April each year will be decided by the Board/Committee on merit and will take into account the Company's performance, as well.

(ii) Benefits, Perquisites & Allowances: In addition to the basic salary referred above, the "Chairman cum Managing Director" would be entitled to:

(a) House rent allowance Rs. 24,000/- (Rupees Twenty Four Thousands only) per month.

(b) Transport allowance Rs. 16,000/- (Rupees Sixteen Thousands Only) per month.

### (VI) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Anil Thukral, responsibility to be shouldered by him and the industry bench mark, the remuneration proposed is commensurate with the remuneration packages paid to similar senior level appointees in other companies.

### (VII) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Beside the remuneration proposed, the "Chairman cum Managing Director" does not have any other pecuniary relationship with the Company and its managerial personnel.

## III. Other Information:

(i) Reasons of loss or inadequate profits: In the year 2010, before amalgamation the company has total accumulated loss of Rs. 55,892,315.71. After getting amalgamated your company is trying to improve the business and each year set off the huge amount of loss. Due to set off of losses your company profits has been effected and it has become the major reason of inadequacy.

(ii) Steps taken or proposed to be taken for improvement: Company is trying to explore more opportunities and Benchmarking business processes and costs to improve efficiency.

(iii) Expected increase in profits in measurable terms: The company is expected to grow at fast pace in the coming years.

Apart from your company MFL India Limited Mr. Anil Thukral currently does not hold directorship in any other company in term of section 275.

The Board of Directors recommends the resolution as set out at Item No.5 for the approval of the Members as Special Resolution.

**By order of the Board  
For MFL India Limited**

Place : New Delhi  
Date : 5<sup>th</sup> September, 2013

**Anil Thukral  
Director  
DIN - 01168540**

**DIRECTORS' REPORT**

To  
The Members

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report of the Company together with Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL RESULTS**

| Particulars  | (Rs. In Lacs)        | (Rs. In Lacs)         |
|--|----------------------|-----------------------|
|  | Current Year 2012-13 | Previous Year 2011-12 |
| Sales, other income & prior period income                        | 9045.00              | 7750.51               |
| Profit/(Loss) before Exceptional and Extraordinary Items and Tax | 107.64               | 52.70                 |
| Exceptional Items  | -                    | -                     |
| Extra Ordinary Items   | -                    | -                     |
| Profit/(Loss) before Tax   | 107.64               | 52.70                 |
| Less: Current Tax  | 21.54                | 10.05                 |
| Earlier Year Tax   | -                    | 3.46                  |
| Add:Deferred Tax   | 63.34                | (14.54)               |
| Profit/(Loss) for the period from continuing operations          | 22.76                | 53.72                 |
| Profit/(Loss) for the period from discontinuing operations       | -                    | -                     |
| Tax Expense of discontinuing operations                          | -                    | -                     |
| Profit/(Loss) for the Period                                     | 22.76                | 53.72                 |

**MANAGEMENT DISCUSSION & ANALYSIS AND REVIEW OF OPERATIONS AND FUTURE LAW****OVERVIEW**

India's transportation sector is large and diverse and it caters to the needs of 1.2 billion people. The Indian transportation & logistics sector is increasingly become attractive to foreign and domestic operators as well as strategic and financial investors. No marketing, manufacturing or project execution can succeed without transport and logistics support. Logistics has existed since the beginning of civilization. Raw material and finished products had always to be moved, though on a small scale. Things began changing with the advance in transportation. Population began moving from rural to urban areas and to business centres. No longer did people live near production centres, nor did production take place near residence centres. The geographical distance between the production point and consumption point increased and logistics gained importance.

**INDUSTRY STRUCTURE & DEVELOPMENT**

The Transport and logistics sector in India has today become an area of priority. One prime reason for the same stems from the reason that years of high growth in the Indian economy have resulted in a significant rise in the volume of freight traffic moved. This large volume of traffic has provided for growth opportunities in all facets of logistics including transportation, warehousing, freight forwarding, express cargo delivery, container services, shipping services etc. The growth path has also meant that increase demand is being placed on the sector to provide the solutions required for supporting future growth. Going forward it will not be wrong to say that the strength of the logistics sector is likely to be one of the key determinants of the pace of future growth of the economy

The sector is growing at the rate of 10% per annum. Several factors are helping the growth of transport and logistics industry in India over the decade that includes changing tax system, rapid growth in industries such as automobile, pharmaceuticals, FMCG and retail. However, major sectors that are investing huge amounts in logistics industry are metal & mining and consumer durables. With increasing competition and cost, focus on outsourcing, entry of foreign players is having positive impact on the industry. Three

major contributors for the growth of the logistic industry are: emergence of organized retail, increase in foreign trade and India becoming soon the manufacturing hub.

The Economic liberalization and the relaxed FDI norms have been a tremendous help in the growth of the sector. The introduction of Value Added Tax (VAT) and the proposed introduction of a singular Goods and Services Tax (GST) are expected to significantly reduce the number of warehouses manufacturers are required to maintain in different states, thereby resulting in a substantial increase in demand for integrated logistics solutions.

Infrastructure is one of the biggest challenges faced by the Indian logistics sector and has been a major deterrent to its growth. Infrastructural problems like bad road conditions, poor connectivity, inadequate air and sea port capacities and lack of development of modes of transports like railways and alternates like inland water transport and domestic aviation have been constant irritants. Due to the infrastructural bottlenecks costs per transaction in Indian logistics sector is very much high compared to those in the developed markets. Less economy of scale due to high fragmentation of industry, lack of skilled labor and manpower are also one of the major challenges for the logistic sector.

#### **OPPORTUNITIES AND THREATS**

Significant opportunities exist across every segment of the Indian Logistics Industry and several leading international logistics companies have entered already the Indian market, both through greenfield set - ups and acquisitions. To date, due to lack of scale in both supply and demand in the more value added elements of logistics, entry has often been into segments that have been perceived as relatively unattractive (such as FTL trucking). However, this can offer geographic network benefits, along with the key customer relationships which have the potential to be upgraded to more profitable services (such as warehousing).

The most important mode of transportation in India is Road, and this dominance arises from decades of poor supporting infrastructure development on the coastal, pipeline and air transportation side. Despite having one of the world's largest rail networks, India's share of cargo transported by rail has declined steadily from over 85 percent in the 1950s to around 30 percent presently. It is due to the poor quality of service, driven largely by the historic monopoly of the government in this vital mode of transportation, as well as massive investments in road highway projects over the past six decades which have enabled trucks to reach hitherto unconnected parts.

Despite this growth, the road transportation sector faces many challenges. The industry is highly fragmented, and with low entry barriers and it has seen significant commoditization leading to intense competition among truckers who find their realizations and margins continuing to be squeezed progressively.

Major threats impacting transportation:

1. Threat of New Entrants
2. Threat of substitutes
3. Bargaining power of consumers
4. Bargaining power of suppliers
5. Rivalry among competitors

#### **SEGMENT WISE PERFORMANCE**

Our Company deal in only one segment i.e. Transportation and logistics and therefore has no reportable segments.

#### **OUTLOOK**

The transportation market in India is expected to continue offering significant opportunities to all concerned stakeholders. However, for the sector to reach its full potential, the timing and economics would depend on how the various drivers and inhibitors evolve in future. While the quality of road infrastructure is certainly likely to improve, the pace of infrastructure development is critical to minimize losses, both economic and environmental. In particular, delays in meeting project timelines should be minimized, given that only around 52 percent (10.39 km as against the target 20 km in 2011-12) of the daily target of average road length to be constructed has been met. However, not only has the demand for road connectivity been rising, focus on improving basic road infrastructure as well as technology adoption has also increased in recent years. The number of expressways and highways has increased; many roads have been widened; electronic toll collection is becoming increasingly common; the 'green channel' concept

is gaining ground, and inter-state check posts are becoming automated, with Gujarat serving as an example. Other examples of key progressive measures include the development of Indian Road Transportation Exchange (IRTEX) and gradual fleet modernization. This has been driven by the ironic scenario that while road transportation is the key to reach out to India's deep hinterlands, it is usually uneconomical and inefficient in the Indian context and also environmentally unfriendly. Thus, against the backdrop of positive initiatives led by industry stakeholders, the industry, as a whole, needs to continue tapping the advantages of road transportation more efficiently and optimally than ever before.

#### **RISKS AND CONCERNS**

Economic development puts increasing demands on the transport sector. Sustainable development means that increases in capability and capacity must be achieved in an affordable and environmentally conscious manner. Underpinning all this is the requirement that transport is delivered safely and reliably.

These tensions are fraught with uncertainty and risk. Balancing them can be a challenge, especially when the organizational and political contexts are taken into account and where there is often a myriad of stakeholders with differing concerns who must be engaged with and satisfied.

In order to mitigate the risks the Company has taken various steps to limit the various factors that emanate risks. These factors include:

- Benchmarking business processes and costs to improve efficiency
- Researching good practice from other industries and countries
- Developing guidance and standards to improve business performance
- Designing safety and competence management systems
- Developing decision support tools, particularly in the area of whole life asset management
- Appraisal of options and evaluating policies and initiatives
- Designing incentives regimes to improve performance whilst maintaining a light regulatory touch.

#### **ADEQUACY OF INTERNAL CONTROLS**

The organization is well structured. The Company has adequate systems of internal control in place commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions, proper authorization and ensuring compliance of corporate policies. The Company has an Audit Committee and it meets the Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time. It also evaluates the Company's strategic risk management system and suggests risk mitigation measures for all the key operations.

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Much of the success of your company is attributed to the quality of its people, their dedication and contribution. The dedicated team of shore and floating staff provides continuous support to the operations of the company, which is reflected in the operational efficiency.

#### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

#### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 Mr. Anil Thukral, Director of the Company retires by rotation, and being eligible, offers himself for re-appointment.

**FIXED DEPOSITS**

During the year under review the Company has not accepted any money from the public as Fixed Deposits.

**TRANSFER TO RESERVES IN TERMS OF SECTION 217(1)(B) OF THE COMPANIES ACT, 1956**

For the financial year ended 31<sup>st</sup> March, 2013, the Company had not transfer any sum to Reserves. Therefore, your Company proposes to transfer the entire amount of profit to Profit and Loss Accounts of the Company.

**DIVIDEND IN TERMS OF SECTION 217(1)(C) OF THE COMPANIES ACT, 1956**

In order to conserve the profits of the business of the company, to meet the growing funding requirements, your directors have not recommended any dividend for the year under report.

**DISCLOSURES UNDER SECTION 217(1)(D) OF THE COMPANIES ACT, 1956**

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956**

Information u/s 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is furnished in Annexure "A" and forms part of this report.

**PARTICULARS OF EMPLOYEES**

No employee of the Company is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1980 as amended to date.

**REPORT ON CORPORATE GOVERNANCE**

As stipulated by clause 49 of the Listing Agreement, the Report on Corporate Governance is given separately in this Annual Report. The Certificate of M/s. Amit Agrawal & Associates, Company Secretary in Practice, regarding the Compliance of Clause 49 of the Listing Agreement is enclosed herewith and form part of Directors' Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms section 217(2AA) of the Companies Act, 1956 your directors confirms as under:

1. That the preparations of Annual Accounts, the applicable accounting standards have been followed and no materials departures have been made from the same.
2. That they have selected such accounting policies and applied them consistently, except where changes have been made and disclosed appropriately and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state affairs of the Company at the end of profit or loss of the Company that period.
3. That they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for the safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
4. That they have prepared the Annual Accounts on a going concern basis.

**BUY BACK OF SHARES**

The Company has not made any offer to Buy Back its shares.



**AUDITORS**

M/s. SRY & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as statutory auditors of the Company for the financial year 2013-14. The company has received a certificate under section 224(1B) of the Companies Act, 1956 to the effect that their appointment, if made will be within the prescribed limit. The audit committee has also recommended their re-appointment.

**AUDITOR'S REPORT**

The Auditors in their report have referred to the notes forming parts of Accounts. The said notes are self-explanatory and need not require any further clarifications. The suggestion given by them have taken note for future operation.

**ACKNOWLEDGEMENT**

The Directors acknowledge with gratitude the support given to the Company by the dealers, customers and suppliers, shareholders and investors who indeed deserve a special mention for their faith and confidence reposed by them in the Company.

**By order of the Board  
For MFL India Limited**

Place: New Delhi  
Date: 5<sup>th</sup> September, 2013

**(Anil Thukral)  
Director  
DIN – 01168540**

**(Sheetal Thukral)  
Additional Director  
DIN-01168506**

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 forming part of Directors' Report.

**1. CONSERVATION OF ENERGY**

The Operations of the Company do not consume high levels of energy. Adequate measures have been taken to conserve energy everywhere. As energy cost forms a very small part of the total costs, the impact on cost is not material.

**2. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION**

Your Company is in an Industry, which demands absorption of emerging technologies and trends so as to cater to the needs of its esteemed Clients. Your Company has developed methods for absorption and adaptation of new / emerging / developing technologies, in consonance with the needs of its Clients and its own requirements.

**3. FOREIGN EXCHANGE EARNINGS & OUTGO**

Total foreign exchange earned & used

|                            |     |
|----------------------------|-----|
| i) Foreign exchange earned | NIL |
| ii) Foreign exchange used  | NIL |

**By order of the Board  
For MFL India Limited**

Place: New Delhi  
Date: 5<sup>th</sup> September, 2013

**(Anil Thukral)  
Director  
DIN – 01168540**

**(Sheetal Thukral)  
Additional Director  
DIN-01168506**

**CORPORATE GOVERNANCE REPORT**

(Pursuant to Clause 49 of the Listing Agreement)

In compliance with the clause 49 of the Listing Agreement with the Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice followed by the Company.

**I. Company's philosophy on Corporate Governance: -**

Corporate governance helps to serve corporate purposes by providing a framework within stakeholders can pursue the objectives of the organization most effectively. Corporate governance signifies, acceptance by management of the inalienable rights of the shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreement with the stock exchange.

**II. Board of Directors****(a) Composition of the Board**

(i) As on March 31, 2013, the Company had Five Directors with a Executive Chairman. Of the five Directors, three (i.e. 60.00 %) are Non-Executive and Independent Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with Stock Exchange.

(ii) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors. Necessary disclosure regarding Committee positions in other public companies as on March 31, 2013 have been made by the Directors.

(iii) The name and categories of the directors on the Board, and committee Chairmanship/Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited Companies, Section 25 Companies and of Companies incorporated outside India. Chairmanships /Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

| Name of Directors              | Categories of Directors            | No. of other Directorships held in Other Public Companies | No. of Committees positions held in other Public Companies |        |
|--------------------------------|------------------------------------|---|--|--------|
|                                |                                    |   | Chairman   | Member |
| Mr. Anil Thukral               | Executive Director                 | NIL   | NIL  | NIL    |
| Mrs. Sheetal Thukral           | Executive Director                 | NIL   | NIL  | NIL    |
| Mr. Sudhir Kumar Sharma        | Non-Executive Independent Director | 2   | NIL  | NIL    |
| Mr. Devendra Manchanda         | Non-Executive Independent Director | 2   | NIL  | NIL    |
| Mr. Palakuzhiil Verghese Mohan | Non-Executive Independent Director | 2   | NIL  | NIL    |

(iv) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

(v) During the year 2012-13, information as mentioned in Annexure 1A to clause 49 of the Listing Agreements has been placed before the Board for its consideration.

(b) Number of Board Meetings held and attended by Directors

(i) During the Financial Year 2012-2013, the Board met 9 (Nine) times on :

1. 5<sup>th</sup> April, 2012
2. 28<sup>th</sup> May, 2012
3. 14<sup>th</sup> August, 2012
4. 1<sup>st</sup> September, 2012
5. 8<sup>th</sup> September, 2012
6. 12<sup>th</sup> November, 2012
7. 28<sup>th</sup> December, 2012
8. 12<sup>th</sup> February, 2013
9. 6<sup>th</sup> March, 2013

(ii) The attendance record of each Directors at the Board Meetings during the period ended on 31<sup>st</sup> March 2013 and of last Annual General Meeting is as under:-

| Name of Directors             | Total No. of Meetings held | No. of board meeting attended | Attendance at the last AGM |
|-------------------------------|----------------------------|-------------------------------|----------------------------|
| Mr. Anil Kumar Chaddha*       | 9                          | 4                             | No                         |
| Mr.Vineet Arora*              | 9                          | 8                             | Yes                        |
| Mr. Anil Thukral              | 9                          | 9                             | Yes                        |
| Mrs. Sheetal Thukral          | 9                          | NIL                           | No                         |
| Mr.Palakuzhiil Verghese Mohan | 9                          | 6                             | Yes                        |
| Mr.Devendra Manchanda         | 9                          | 6                             | Yes                        |
| Mr.Sudhir Kumar Sharma        | 9                          | 7                             | Yes                        |

- Ceased to be Director w.e.f 08-09-2012
- Ceased to be Director w.e.f 06-03-2013

#### Availability of Information to the members of Board:

Presentations are made to the Board of Directors on various functional, operational, statutory compliances and financial highlights etc.

Among others, this includes:

- Annual operating Plans and budgets and any updates thereto.
- Capital expenditure plan and any updates.
- Quarterly Results of the Company.
- Minutes of the Audit Committee, Shareholders/Investor's Grievances Committee, and Remuneration & Recruitment Committee.
- The information on recruitment and remuneration of senior officers just below the Board level ,
- Details of any joint venture or collaboration agreement.

#### (III) Audit Committee

(i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the stock Exchanges read with the Provisions of the Companies Act, 1956.

**Terms of reference of the Audit Committee are broadly as under:**

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible informations disclosed.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.
  - Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
    - ▶ Any changes in accounting policies and practices;
    - ▶ Major accounting entries based on exercise of judgement by management;
    - ▶ Significant adjustments arising out of audit;
    - ▶ The going concern assumption;
    - ▶ Compliance with accounting standards;
    - ▶ Compliance with stock exchange and legal requirements concerning financial statements;
    - ▶ Any related party transactions as per Accounting Standard 18.
  - Reviewing the Company's Financial and risk management policies.
  - Disclosure of contingent liabilities.
  - Reviewing with the management external and internal auditors, the adequacy of internal control systems.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
- (ii) The Audit Committee invites such of the executives, as it considers appropriate, representatives of the statutory Auditors and representatives of the internal Auditors to be present at its meeting.
- (iii) During the period under review, the members of Audit Committee met 4 (Four) times. The Dates of the meetings were 28/05/2012, 14/08/2012, 12/11/2012 and 12/02/2013. The necessary quorum was present for all the meetings.
- (iv) The composition of the Audit committee and the Details of the meetings attended by its members are given below:

| S. No. | Name of Director       | Position | Category                           | No. of Meetings During the Year 2012-13 |          |
|--------|------------------------|----------|------------------------------------|---|----------|
|        |                        |          |                                    | Held                                    | Attended |
| 1      | Mr.Devendra Manchanda  | Chairman | Non-Executive Independent Director | 04                                      | 04       |
| 2      | Mr.Sudhir Kumar Sharma | Member   | Non-Executive Independent Director | 04                                      | 04       |
| 3      | Mr. Anil Thukral       | Member   | Executive Director                 | 04                                      | 04       |

- (v) Mr. Devendra Manchanda having the requisite qualification as required under Clause 49 (II) of the Listing Agreement is the Chairman of the Audit Committee.

**IV. Remuneration and Recruitment Committee**

- (i) The Company has a Remuneration and Recruitment Committee of Directors.
- (ii) Terms of reference
- To oversee the method, criteria and quantum of compensation for executive and non executive directors.
  - To review the recruitment of key management employees and their compensations;
  - Formulation of initiatives leading to greater transparency and improved corporate governance.

- (iii) During the period under review, the members of the Remuneration & Recruitment Committee met 4 (Four) times. The Dates of the meetings were 28/05/2012, 14/08/2012, 12/11/2012 and 12/02/2013.
- (iv) The Composition of the Remuneration & Recruitment Committee and the details of meetings attended by its members are given below:

| S. No. | Name of Director              | Position | Category                           | No. of Meetings During the Year 2012-13 |          |
|--------|-------------------------------|----------|------------------------------------|---|----------|
|        |                               |          |                                    | Held                                    | Attended |
| 1      | Mr. Devendra Manchanda        | Member   | Non-Executive Independent Director | 04                                      | 04       |
| 2      | Mr .Sudhir Kumar Sharma       | Member   | Non-Executive Independent Director | 04                                      | 04       |
| 3      | Mr.Palakuzhiil Verghese Mohan | Member   | Non-Executive Independent Director | 04                                      | 04       |

#### Remuneration policy

The Company has two Executive Director on the Board. The details of such remuneration are given below:

#### Details of remuneration of Executive Directors are as under:

| Name of Director     | Salary (Rs.) | Perquisites (Rs.) | Total (Rs.) |
|----------------------|--------------|-------------------|-------------|
| Mr.Anil Thukral      | NIL          | NIL               | NIL         |
| Mrs. Sheetal Thukral | NIL          | NIL               | NIL         |

Details of sitting fees paid during the period:

Executive Directors and other Directors are not paid any sitting fees for attending the Board Meeting and its Committees.

#### V. Shareholders/Investors Grievance and Share Transfer Committee

- (i) The Company has a Shareholders/Investors Grievance and Share Transfer Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non receipt of notices/annual reports etc.
- (ii) During the period under review, the members of the Shareholders/Investors Grievance and Share Transfer Committee met 4 (Four) times. The Dates of the meetings were 28/05/2012, 14/08/2012, 12/11/2012 and 12/02/2013
- (iii) The Composition of shareholders/Investors Grievance and Share Transfer Committee and the details of meeting attended by its members are given below:

| S. No. | Name of Director              | Position | Category                           | No. of Meetings During the Year 2012-13] |          |
|--------|-------------------------------|----------|------------------------------------|--|----------|
|        |                               |          |                                    | Held                                     | Attended |
| 1      | Mr.Palakuzhiil Verghese Mohan | Chairman | Non Executive Independent Director | 04                                       | 04       |
| 2      | Mr. Anil Thukral              | Member   | Executive Director                 | 04                                       | 04       |
| 3      | Mr.Sudhir Kumar Sharma        | Member   | Non Executive Independent Director | 04                                       | 04       |

- (iv) Mr. Vivek Khosla, Company Secretary acts as the Secretary of the shareholders/Investors Grievance Committee as well as the Compliance officer of the Company pursuant to Clause 47(a) of the Listing Agreement with the Stock Exchange.
- (v) There was no application for share transfer pending as at 31<sup>st</sup> March, 2013.
- (vi) Details of investors complaints received and redressed during the year 2012-13:

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| -               | 1                        | 1                        | -               |

**VI. Code of Conduct**

The Board of Directors of the Company has laid down a Code of conduct for all its members and senior management personnel who have affirmed their compliance therewith.

**To the Shareholders of MFL India Limited****Sub : Compliance with Code of Conduct**

In accordance with clause 49 (1)(D) of the Listing Agreement, I hereby confirm that, all the members of the Board of Directors and senior Management personnel of the Company have affirmed their compliance with the code of conduct, as applicable to them, for the period ended 31<sup>st</sup> March, 2013.

**Anil Thukral**  
Director

Place : New Delhi

Dated : 5<sup>th</sup> September, 2013

**VII. General Body Meetings**

(a) The details of Annual General Meetings held in last three years are as under: -

| AGM              | Day      | Date       | Time      | Venue  |
|------------------|----------|------------|-----------|--|
| 27 <sup>th</sup> | Saturday | 10/07/2010 | 9:00 A.M. | Community Hall, Kilokari, New Delhi -110014. |
| 28 <sup>th</sup> | Thursday | 29/12/2011 | 9.30 A.M  | Community Hall, Kilokari, New Delhi -110014. |
| 29 <sup>th</sup> | Friday   | 28/09/2012 | 9.30 A.M  | Community Hall, Kilokari, New Delhi -110014. |

- Details of Special Resolutions passed in the previous 3 AGMs:**

- (I) In the AGM of the Company for the FY 2009-10 held on July 10, 2010, three special resolutions were passed.
- Special Resolution accorded in terms of section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors to commence business as provided in Clause no. 28 and 41 in the other objects of the Memorandum of Association of the Company more specifically.
  - Special Resolution Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment (s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as in force, the regulations/ guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws rules and regulations ( including any amendment (s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchange where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange and any other relevant statutory, governmental authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, sanctions and permissions as may be necessary ("Approvals") and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and /or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded the Board to creates, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, upto 42,00,000 (Forty Two Lacs) nos. of equity shares .

(iii) Special Resolution in terms of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment (s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as in force, the regulations/ guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws rules and regulations ( including any amendment (s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the stock exchange where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange and any other relevant statutory, governmental authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, sanctions and permissions as may be necessary ("Approvals") and any such conditions and /or modifications as may be prescribed, stipulated or imposed by any such Approvals and /or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, upto 54,00,000 (Fifty Four Lacs) nos. of equity share warrants or any other securities or financial instrument(s) convertible into equity shares of the Company (hereinafter referred to as "Warrants")

(II) In the AGM of the Company for the FY 2010-11 held on December 29, 2011, one special resolution was passed.

(i) Special Resolution accorded in terms of section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors to carry on the business activities as covered under other objects Clause III( C)13 of the Memorandum of Association of the company.

(III) In the AGM of the Company for the FY 2011-12 held on September 28, 2012, no special resolutions was passed.

• **Special Resolution passed during the Financial year through postal ballot:**

(i) No resolution was passed through postal ballot during the year.

**VIII. Disclosures**

**(i) Related party transactions:**

There are no materially significant related party transactions of the company which have potential conflict with the interest of the company at large.

**(ii) Accounting Treatment :**

While in the preparation of financial statements, no treatment different from that prescribed in an Accounting Standards has been followed.

**(iii) Details of non-compliance, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related capital markets, during the last three years: NIL**

**(iv) Whistle Blower policy**

While the company has not formally established a Whistle Blower policy as a mechanism for its employees to report to the Management about any violation of business principles or unethical behavior, the employees are free to access the Management or audit Committee to report such instances.

**(v) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49:**

The Company has complied with all the mandatory requirements as laid down under Clause 49 of the Listing Agreement in letter as well as spirit. The details of these compliances are set out in the relevant sections of this Report. The company has also set up the Remuneration Committee as prescribed under non mandatory requirements in Annexure I D to the clause 49 of the Listing Agreement with the Stock Exchange, details of which have been given earlier in this report.



**IX. Means of communication**

- (i) **Publication of Results:** The Quarterly Results/ Annual Results of the Company are published in the leading newspapers viz :-  
 1) Veer Arjun, JunSatta (in Hindi)  
 2) The Financial Express (English)
- (ii) **News , Release, etc :** All vital Information pertaining to the Company and its Performance, financial or otherwise, its financial results, important developments in the Company sent to the stock exchanges from time to time , are regularly posted .
- (iii) Website development is in progress.

**X. General Shareholders' Information:**

- (a) **Registered Office:**  
 B-802, Munirka Apartments, Plot No. 11, Sector-9,  
 Dwarka, New Delhi – 110 075

- (b) **Registrar & Share Transfer Agents:**  
 M/s. Link Intime India Private Limited,  
 44, Community Center, 2nd Floor,  
 Naraina Industrial Area, Phase-I,  
 Near PVR, Naraina New Delhi- 110 028.

- (c) **Annual General Meeting to be held:**  
 Day, Date, Time & Venue:

|       |   |   |
|-------|---|---|
| Day   | : | Monday  |
| Date  | : | 30/09/2013  |
| Time  | : | 9.00 A.M  |
| Venue | : | G-8, Harsh Bhawan, 64-65, Nehru Place, New Delhi – 110019 |

- (d) **Financial Year** : 01/04/2012 to 31/03/2013  
 (e) **Date of Book Closure** : 26<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013 (both days inclusive)  
 (f) **Dividend Payment Date** : N.A.

- (g) **Stock Exchanges in which the Company's Shares are listed:**  
 The Bombay Stock Exchange Limited, Mumbai  
 Stock Code:  
 Bombay Stock Exchange Limited, Mumbai – 526622  
 Status of payment of Listing Fees:  
 The Company has paid the listing fees to the Stock Exchange, Mumbai.

- (h) **Connectivity with the Depositories:**  
 National Securities Depositories Limited (NSDL)  
 Central Depository Services (India) Limited (CDSL)  
 Demat ISIN Numbers: INE 244CO1012

- (i) **Dematerialization of shares:**  
 As of March, 2013, 3,42,33,069 Equity shares of the company stand dematerialized & this constitutes 95.01 % of the holding in the Company.

**(j) Market Price Data High/Low during each month in last financial year:**

At BSE (Bombay Stock Exchange)

| Month           | High Price | Low Price |
|-----------------|------------|-----------|
| April, 2012     | 9.45       | 7.86      |
| May, 2012       | 10.61      | 8.55      |
| June, 2012      | 10.90      | 8.66      |
| July, 2012      | 10.75      | 8.55      |
| August, 2012    | 10.54      | 7.04      |
| September, 2012 | 7.90       | 6.59      |
| October, 2012   | 7.70       | 5.35      |
| November, 2012  | 7.50       | 5.13      |
| December, 2012  | 7.40       | 5.70      |
| January, 2013   | 9.38       | 6.14      |
| February, 2013  | 9.17       | 7.36      |
| March, 2013     | 9.42       | 5.80      |

Since the shares of the Company are thinly traded, the comparison of the performance of the shares of the Company with indices such as BSE Sensex is not made.

**(k) Corporate Office and Address for correspondence:**

6/38, Rajiv Colony, Naharpur Rupa, Gurgaon – 122 001. (Haryana)

**(l) Share Transfer System**

Share transfers are affected on requests in Demat form as well as in physical form periodically at frequent intervals.

Distribution of shareholding as on 31.03.2013

| S. No. | Shareholding of Nominal value (in Rs.) | Nos. of Shareholders | % to total shareholders | Nominal Value in Rs. | % to Nominal Value |
|--------|--|----------------------|-------------------------|----------------------|--------------------|
| 1      | Upto 5000                              | 11758                | 92.82                   | 1,44,65,440          | 4.02               |
| 2      | 5001 - 10000                           | 343                  | 2.71                    | 30,17,130            | 0.84               |
| 3      | 10001 – 20000                          | 154                  | 1.22                    | 25,33,730            | 0.70               |
| 4      | 20001 – 30000                          | 266                  | 2.10                    | 67,91,750            | 1.89               |
| 5      | 30001 – 40000                          | 29                   | 0.22                    | 10,40,940            | 0.29               |
| 6      | 40001 – 50000                          | 29                   | 0.22                    | 13,84,340            | 0.38               |
| 7      | 50001 – 100000                         | 30                   | 0.24                    | 24,33,760            | 0.67               |
| 8      | 100001 & above                         | 59                   | 0.47                    | 32,86,24,910         | 91.21              |
|        | <b>Total</b>                           | <b>12668</b>         | <b>100.00</b>           | <b>36,02,92,000</b>  | <b>100.00</b>      |

## Shareholding Pattern as on 31.03.2013

| S.No. | Category                          | Nos. of Shares | % of holding |
|-------|-----------------------------------|----------------|--------------|
| 1     | Promoters                         | 7,00,000       | 1.94         |
| 2     | Financial Institutions/Bank       | 0              | 0.00         |
| 3     | FII                               | 0              | 0.00         |
| 4     | Foreign Institutional Investors   | 0              | 0.00         |
| 5     | Foreign Venture Capital Investors | 0              | 0.00         |
| 6     | Mutual Funds                      | 7800           | 0.02         |
| 7     | Bodies Corporate                  | 9112985        | 25.29        |
| 8     | Indian Public                     | 26179365       | 72.67        |
| 9     | NRI/OCBs                          | 26950          | 0.07         |
| 10    | Clearing Members                  | 2100           | 0.01         |
|       | Total                             | 36029200       | 100.00       |

## CFO' S CERTIFICATE

To the Board of Directors of MFL India Limited

I, Anil Thukral, Director and Chief Financial Officer of MFL India Limited to the best of my knowledge and belief, certify that:

- a. I have reviewed financial statements and the cash flow statement for the year and that to the best of my 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. No transactions entered into by the company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee that:
  - i. there has not been any significant changes in internal control over financial reporting during the year under the reference ;
  - ii. there has not been any significant changes in accounting policies except to the extent already disclosed in the financial statement(s); and
  - iii. there are no instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Delhi

Date: 5<sup>th</sup> September, 2013

**Anil Thukral**

Director and Chief Financial Officer

**AMIT AGRAWAL & ASSOCIATES**

**Company Secretaries**

H-63, G.F., Vijay Chowk, Laxmi Nagar, Delhi-110092  
Phone: 011 – 22024525, 43019279  
E-mail : amitagcs@gmail.com

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of  
M/s. MFL India Limited  
B-802, Munirka Apartments,  
Plot No. 11, Sector-9,  
Dwarka, New Delhi – 110 075

We have examined the Compliance of conditions of Corporate Governance by MFL India Limited (“ the Company”) for the period ended 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with Bombay Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Company’s management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in clause 49 of the Listing Agreements.

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

For and on behalf of  
**Amit Agrawal & Associates**  
**Company Secretaries**

**(Amit Agrawal)**  
**Proprietor**  
**C.P No. 3647**

Date: 5<sup>th</sup> September, 2013  
Place: Delh

**SRV & ASSOCIATES**

Chartered Accountants

**INDEPENDENT AUDITORS' REPORT**

To the members of

**MFL INDIA LIMITED****1. Report on the Financial Statements**

We have audited the accompanying financial statements of **MFL India Limited** which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the financial statements**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 (to the extent applicable). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2013;
- (ii) In the case of the Statement of Profit & Loss, of the profit of the company for the year ended on that date;
- (iii) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date;

**5. Report on Other legal Regulatory Requirements**

- A. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

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Off: 503-504, Rattan Iyoti, 18 Rajendra Place, New Delhi-II 0008  
Phone: 011-41538010-11, Fax: 011-41538010

**SRY & ASSOCIATES**

Chartered Accountants

- B. As required by Section 227(3) of the Act, 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 account 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 Statement of Profit & Loss dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and Statement of Profit and Loss 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 representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For SRY & ASSOCIATES**  
**Chartered Accountants**  
Firm. R. No. 011227N

**Rajan Gupta**  
Partner  
Membership No. 089469

Date: May 30, 2013  
Place: New Delhi

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Off: 503-504, Rattan Iyoti, 18 Rajendra Place, New Delhi-II 0008  
Phone: 011-41538010-11, Fax: 011-41538010


**SRY & ASSOCIATES**

Chartered Accountants

**ANNEXURE TO AUDITORS' REPORT**

(Referred to in paragraph 5A of our report of even date)

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The company has not disposed of substantial part of its fixed assets during the year, and therefore, it has not affected the company as a going concern.
- (ii) (a) The company has operated in the service sector and the company has no inventory. Hence this point is not applicable on the company.
- (b) The company has no inventory. Hence this point is not applicable on the company.
- (c) The company has no inventory. Hence this point is not applicable on the company;
- (iii) (a) According to the information and explanations given to us, the company has not granted secured or unsecured loans, to companies in the register maintained under section 301 of the Act.
- (b) The Company has not granted loan. Hence this point is not applicable.
- (c) The Company has not granted loan. Hence this point is not applicable.
- (d) The Company has not granted loan. Hence this point is not applicable.
- (e) The company has not taken unsecured loans, there are no other transactions from the companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (f) The Company has not taken loan. Hence this point is not applicable.
- (g) The Company has not granted loan. Hence this point is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of goods and service. However there is still scope of improvement in the same. During the course of our audit we have not observed any continuing failure to correct major weakness in internal control systems.
- (v) (a) As per the records, the particulars of contracts that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- (b) According to the explanations and information given to us the transactions in pursuance of such contracts 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 any deposits from the public to which the directives issued by RBI and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply. No order has been passed by the company Law board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vii) In our opinion the company has internal audit system commensurate with its size and nature of its business;
- (viii) To the best of our knowledge and as per the explanations and information given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.

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 Phone: 011-41538010-11, Fax: 011-41538010

**SRY & ASSOCIATES**

Chartered Accountants

- (ix) (a) As per the records the company is 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 statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, there no dues of sales tax, income tax, custom duty, wealth tax, Service Tax, excise duty and cess which have not been deposited:-
- (x) The accumulated losses of the company are less than fifty percent of its net worth The Company has not incurred cash losses during the financial year covered by our audit. The company does not have any cash losses in the immediately preceding financial year.
- (xi) The company has not made any default in payment of the dues to the bank and financial institution.
- (xii) As per the records the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) To the best of our knowledge and according to the information and explanations given to us the provisions of any special statute applicable to chit fund are not applicable to the Company.
- (xiv) According to the information and explanations given by the management, the company is not dealing in or trading in shares, securities, debentures and other investments. The Company has maintained proper records and timely entries have been made and the investments are in the name of the Company.
- (xv) The company has not given any guarantees for its associate company to bank.
- (xvi) The company has applied the term for the purpose for which term loan were obtained.
- (xvii) The funds raised for short term purpose has not been used for the long term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) The company has not issued any debentures.
- (xx) The Company has not raised any money by public issues.
- (xxi) On the examinations of records of the company no fraud on or by the company has been noticed or reported during the year.

**For SRY & ASSOCIATES**  
**Chartered Accountants**  
Firm's. Reg. No. 011227N

Rajan Gupta  
Partner  
Membership No. 089469

Date : May 30, 2013  
Place : New Delhi



**MFL INDIA LIMITED**  
**Balance Sheet as at 31.03.2013**

| Particulars   | Note No. | Year ending<br>31-03-2013<br>Rs. | Year ending<br>31-03-2012<br>Rs. |
|---|----------|----------------------------------|----------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                    |          |                                  |                                  |
| <b>1. Shareholders' funds</b>                       |          |                                  |                                  |
| (a) Share capital                                   | 1        | 360,292,000                      | 360,292,000                      |
| (b) Reserves and surplus                            | 2        | (30,968,111)                     | (33,243,763)                     |
| <b>2. Share Application Money Pending Allotment</b> |          |                                  |                                  |
| -   |          |                                  |                                  |
| <b>3. Non-current liabilities</b>                   |          |                                  |                                  |
| (a) Deferred tax liabilities (Net)                  |          | 27,876,988                       | 21,542,407                       |
| (b) Long-term provisions                            | 3        | -                                | -                                |
| (c) Long-term loans                                 | 4        | -                                | 36,337,102                       |
| <b>4 Current liabilities</b>                        |          |                                  |                                  |
| (a) Trade payables                                  |          | 20,814,498                       | 4,089,447                        |
| (b) Other current liabilities                       | 5        | 809,654                          | 836,721                          |
| (c) Short-Term Borrowings                           | 6        | 173,807,717                      | 81,354,329                       |
| (d) Short-Term Provisions                           |          | 2,153,600                        | 1,005,520                        |
| <b>TOTAL</b>  |          | <b>554,786,345</b>               | <b>472,213,763</b>               |
| <b>II. ASSETS</b>                                   |          |                                  |                                  |
| <b>1. Non-current assets</b>                        |          |                                  |                                  |
| (a) Fixed assets (Tangible)                         | 7        | 203,641,490                      | 143,770,653                      |
| (b) Fixed assets (In-tangible)                      | 7        | 55,283,824                       | 63,181,514                       |
| (c) Fixed assets (Capital work in-progress)         | 7        | -                                | -                                |
| (c) Non-current investments                         | 8        | -                                | -                                |
| (d) Long-term loans and advances                    | 9        | 1,675,638                        | 1,995,438                        |
| <b>2. Current assets</b>                            |          |                                  |                                  |
| (a) Current investments                             | 10       | -                                | -                                |
| (b) Inventories                                     | 11       | -                                | -                                |
| (c) Trade receivables                               | 12       | 279,628,817                      | 238,496,305                      |
| (d) Cash and cash equivalents                       | 13       | 2,764,196                        | 11,321,353                       |
| (e) Short-term loans and advances                   | 14       | 11,792,381                       | 13,448,500                       |
| <b>TOTAL</b>  |          | <b>554,786,345</b>               | <b>472,213,763</b>               |

Notes forming Part of Balance Sheet & Profit and loss accounts 20

Figures have been rounded off to nearest rupee & previous year Figures have been regrouped/rearranged wherever necessary.

**For SRY & ASSOCIATES**

Chartered Accountants  
Firm. Reg. No. 011227N

**For And On Behalf Of The Board Of Directors**

**Rajan Gupta**  
Partner  
M. No. 089469

**Anil Thukral**  
Director  
DIN 01168540

**Sheetal Thukral**  
Additional Director  
DIN 01168506

**Vivek Khosla**  
Company Secretary  
M. No. A26608

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

**MFL INDIA LIMITED**  
**Profit & Loss Account for the year ending 31.03.2013**

| Particulars |  | Note No. | Year ending<br>31-03-2013<br>Rs. | Year ending<br>31-03-2012<br>Rs. |
|-------------|--|----------|----------------------------------|----------------------------------|
| I.          | Revenue from operations  | 15       | 904,073,832                      | 775,112,006                      |
| II.         | Other income   | 16       | 426,740                          | (60,989)                         |
| III.        | <b>Total Revenue (I + II)</b>                                      |          | <b>904,500,572</b>               | <b>775,051,017</b>               |
| IV.         | Expenses:  |          |                                  |                                  |
|             | Purchases of Stock-in-Trade  |          | -                                | 5,026,655                        |
|             | Transportation Expenses  |          | 595,083,834                      | 425,218,896                      |
|             | Vehicle Operating Expenses   |          | 139,801,248                      | 141,315,857                      |
|             | Changes in inventories of Stock-in-Trade                           | 11       | -                                | -                                |
|             | Employee benefits expense  | 18       | 37,976,493                       | 51,244,094                       |
|             | Finance Cost   | 19       | 14,557,249                       | 20,288,068                       |
|             | Depreciation and amortization expense                              | 7        | 48,363,076                       | 46,578,367                       |
|             | Other expenses   | 17       | 57,954,839                       | 80,108,948                       |
|             | <b>Total expenses</b>  |          | <b>893,736,739</b>               | <b>769,780,886</b>               |
| V.          | Profit before exceptional and extraordinary items and tax (III-IV) |          | 10,763,833                       | 5,270,131                        |
| VI.         | Exceptional items  |          | -                                | -                                |
| VII.        | Profit before extraordinary items and tax (V - VI)                 |          | 10,763,833                       | 5,270,131                        |
| VIII.       | Extraordinary Items  |          | -                                | -                                |
| IX.         | Profit before tax (VII- VIII)                                      |          | 10,763,833                       | 5,270,131                        |
| X           | Tax expense:   |          |                                  |                                  |
|             | (1) Current tax  |          | 2,153,600                        | 1,005,520                        |
|             | (2) Deferred tax   |          | 6,334,581                        | (1,454,482)                      |
|             | (3) Earlier Year tax   |          | -                                | 346,909                          |
| XI          | Profit (Loss) for the period from continuing operations (IX-X)     |          | 2,275,652                        | 5,372,184                        |
| XII         | Profit/(loss) from discontinuing operations                        |          | -                                | -                                |
| XIII        | Tax expense of discontinuing operations                            |          | -                                | -                                |
| XIV         | Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) |          | -                                | -                                |
| XV          | <b>Profit (Loss) for the period (XI + XIV)</b>                     |          | <b>2,275,652</b>                 | <b>5,372,184</b>                 |
| XVI         | Earnings per equity share:   |          |                                  |                                  |
|             | (1) Basic  |          | 0.06                             | 0.15                             |
|             | (2) Diluted  |          | 0.06                             | 0.15                             |

Notes forming Part of Balance Sheet &amp; Profit and loss accounts

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**For SRY & ASSOCIATES**

Chartered Accountants

Firm. Reg. No. 011227N

**For And On Behalf Of The Board Of Directors****Rajan Gupta**

Partner

M. No. 089469

**Anil Thukral**

Director

DIN 01168540

**Sheetal Thukral**

Additional Director

DIN 01168506

**Vivek Khosla**

Company Secretary

M. No. A26608

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

**Note 1 Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956**

| <b>Share Capital</b>            | <b>As at 31st Mar. 2013</b> |                    | <b>As at 31st Mar. 2012</b> |                    |
|---------------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
|                                 | Number                      | Rs.                | Number                      | Rs.                |
| <b>Authorised</b>               |                             |                    |                             |                    |
| Equity Shares of Rs.10/- each   | 37000000                    | 370,000,000        | 37000000                    | 370,000,000        |
| <b>Issued</b>                   |                             |                    |                             |                    |
| Equity Shares of Rs.10/- each   | 36029200                    | 360,292,000        | 36029200                    | 360,292,000        |
| <b>Subscribed &amp; Paid up</b> |                             |                    |                             |                    |
| Equity Shares of Rs.10/- each   | 36029200                    | 360,292,000        | 36029200                    | 360,292,000        |
| <b>Total</b>                    | <b>36029200</b>             | <b>360,292,000</b> | <b>36029200</b>             | <b>360,292,000</b> |

**Note 1 A Disclosure pursuant to Note no. 6 (A)(d) of Part I of Schedule VI to the Companies Act, 1956 - NIL (Following disclosure should be made for each class of Shares)**

| <b>Particulars</b>                              | <b>As at 31st Mar. 2013</b> |             | <b>As at 31st Mar. 2012</b> |             |
|---|-----------------------------|-------------|-----------------------------|-------------|
|   | Number                      | Amount      | Number                      | Amount      |
| Shares outstanding at the beginning of the year | 36,029,200                  | 360,292,000 | 14,914,000                  | 149,140,000 |
| Shares Issued during the year                   | -                           | -           | 21,115,200                  | 211,152,000 |
| Shares bought back during the year              | -                           | -           | -                           | -           |
| Shares outstanding at the end of the year       | 36,029,200                  | 360,292,000 | 36,029,200                  | 360,292,000 |

Note 1A Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956 - NIL

**Note 1B Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)**

| <b>Name of Shareholder</b>                | <b>As at 31st Mar. 2013</b> |                     | <b>As at 31st Mar. 2012</b> |                     |
|---|-----------------------------|---------------------|-----------------------------|---------------------|
|   | <b>No. of Shares held</b>   | <b>% of Holding</b> | <b>No. of Shares held</b>   | <b>% of Holding</b> |
| Mr. Anil Thukral                          | 20,038,240                  | 55.62               | 20,038,240                  | 55.62               |
| M/S SGM Webtech Pvt Ltd                   | 1,998,600                   | 5.55                | 2,050,000                   | 5.69                |
| M/S Krishna Garden Pvt Ltd                | 1,974,750                   | 5.48                | 2,050,000                   | 5.69                |
| M/S Ashi Equities Pvt Ltd                 | -                           | -                   | 1,950,000                   | 5.41                |
| M/S Manorites Capital Management Pvt. Ltd | -                           | -                   | 1,550,000                   | 4.30                |
| Mr. Gurdev Singh                          | -                           | -                   | 800,000                     | 2.22                |

**Note 1C Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956 - NIL****Note 1D Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956 - NIL**

| <b>Unpaid Calls</b> | <b>Amount in Rs.</b> |
|---------------------|----------------------|
| By Directors        | Nil                  |
| By Officers         | Nil                  |

**Note 1E Appropriate disclosures to comply with this point to be made by the Management**

**Note 2 Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956**

| Reserves & Surplus                               | As at 31st Mar. 2013<br>Rs. | As at 31st Mar. 2012<br>Rs. |
|--|-----------------------------|-----------------------------|
| <b>a. Capital Reserves</b>                       |                             |                             |
| Opening Balance                                  | 5,055,845                   | 5,055,845                   |
| (+) Current Year Transfer                        | -                           | -                           |
| (-) Written Back in Current Year                 | -                           | -                           |
| Closing Balance                                  | <b>5,055,845</b>            | <b>5,055,845</b>            |
| <b>b. Capital Redemption Reserve</b>             |                             |                             |
| Opening Balance                                  | -                           | -                           |
| (+) Current Year Transfer                        | -                           | -                           |
| (-) Written Back in Current Year                 | -                           | -                           |
| Closing Balance                                  | -                           | -                           |
| <b>c. Securities Premium Account</b>             |                             |                             |
| Opening Balance                                  | -                           | -                           |
| Add : Securities premium credited on Share issue | -                           | -                           |
| Less : Premium Utilised for various reasons      | -                           | -                           |
| Premium on Redemption of Debentures              | -                           | -                           |
| For Issuing Bonus Shares                         | -                           | -                           |
| Closing Balance                                  | -                           | -                           |
| <b>d. Debenture Redemption Reserve</b>           |                             |                             |
| Opening Balance                                  | -                           | -                           |
| (+) Current Year Transfer                        | -                           | -                           |
| (-) Written Back in Current Year                 | -                           | -                           |
| Closing Balance                                  | -                           | -                           |
| <b>e. Revaluation Reserve</b>                    |                             |                             |
| Opening Balance                                  | -                           | -                           |
| (+) Current Year Transfer                        | -                           | -                           |
| (-) Written Back in Current Year                 | -                           | -                           |
| Closing Balance                                  | -                           | -                           |
| <b>f. Share Options Outstanding Account</b>      |                             |                             |
| Opening Balance                                  | -                           | -                           |
| (+) Current Year Transfer                        | -                           | -                           |
| (-) Written Back in Current Year                 | -                           | -                           |
| Closing Balance                                  | -                           | -                           |
| <b>g. General Reserves</b>                       |                             |                             |
| Opening Balance                                  | 1,548,746                   | 1,548,746                   |
| (+) Current Year Transfer                        | -                           | -                           |
| (-) Written Back in Current Year                 | -                           | -                           |
| Closing Balance                                  | <b>1,548,746</b>            | <b>1,548,746</b>            |
| <b>Surplus</b>                                   |                             |                             |
| Opening balance                                  | (39,848,354)                | (45,220,538)                |
| (+) Net Profit/(Net Loss) For the current year   | 2,275,652                   | 5,372,184                   |
| Closing Balance                                  | <b>(37,572,702)</b>         | <b>(39,848,354)</b>         |
| <b>Total</b>                                     | <b>(30,968,111)</b>         | <b>(33,243,763)</b>         |

**Note 3 Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956**

| Long Term Provisions                       | As at 31st Mar.<br>2013 | As at 31st Mar.<br>2012 |
|--|-------------------------|-------------------------|
|  | Rs.                     | Rs.                     |
| <b>(a) Provision for employee benefits</b> |                         |                         |
| Superannuation (unfunded)                  | Nil                     | Nil                     |
| Gratuity (unfunded)                        | Nil                     | Nil                     |
| Leave Encashment (unfunded)                | Nil                     | Nil                     |
| ESOP / ESOS                                | Nil                     | Nil                     |
| <b>(b) Others (Specify nature)</b>         | Nil                     | Nil                     |
| <b>Total</b>                               | -                       | -                       |

**Note 4 Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956**

| <u>Long Term Borrowings</u>   | As at 31st Mar.<br>2013 | As at 31st Mar.<br>2012 |
|---|-------------------------|-------------------------|
|   | Rs.                     | Rs.                     |
| Secured   |                         |                         |
| <b>(a) Bonds/debentures</b> *( state in descending order of maturity or conversion, starting from the farthest redemption or conversion date) | Nil                     | Nil                     |
| <b>(b) Term loans</b>   |                         |                         |
| from banks  | Nil                     | 36,337,102              |
| (Secured By Hypothecation of Vehicle)   |                         |                         |
| from other parties  | Nil                     | Nil                     |
| <b>(c) Deferred payment liabilities</b>   | Nil                     | Nil                     |
| <b>(d) Deposits</b>   | Nil                     | Nil                     |
| <b>(e) Loans and advances from related parties</b>  | Nil                     | Nil                     |
| <b>(f) Long term maturities of finance lease obligations</b>  | Nil                     | Nil                     |
| <b>(g) Other Loan and Advances (Specify Nature)</b>   | Nil                     | Nil                     |
|   | -                       | <b>36,337,102</b>       |
| <b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</b>        |                         |                         |
| 1. Period of default  | Nil                     | Nil                     |
| 2. Amount   |                         |                         |
| <u>Unsecured</u>  |                         |                         |
| <b>(a) Bonds/debentures</b> *( state in descending order of maturity or conversion, starting from the farthest redemption or conversion date) | Nil                     | Nil                     |
| <b>(b) Term loans</b>   |                         |                         |
| from banks  | Nil                     | Nil                     |
| from other parties  | Nil                     | Nil                     |
| <b>(c) Deferred payment liabilities</b>   | Nil                     | Nil                     |
| <b>(d) Deposits</b>   | Nil                     | Nil                     |
| <b>(e) Loans and advances from related parties</b>  | Nil                     | Nil                     |
| <b>(f) Long term maturities of finance lease obligations</b>  | Nil                     | Nil                     |
| <b>(g) Other loans and advances (specify nature)</b>  | Nil                     | Nil                     |
|   |                         |                         |
| <b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</b>        |                         |                         |
| 1. Period of default  | NA                      | NA                      |
| 2. Amount   | NA                      | NA                      |
| <b>Total</b>  | -                       | <b>36,337,102</b>       |

**Note 5 Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956**

| Other Current Liabilities   | As at 31st Mar.<br>2013 Rs. | As at 31st Mar. 2012<br>Rs. |
|---|-----------------------------|-----------------------------|
| (a) Current maturities of long-term debt                                      | Nil                         | Nil                         |
| (b) Current maturities of finance lease obligations                           | Nil                         | Nil                         |
| (c) Interest accrued but not due on borrowings                                | Nil                         | Nil                         |
| (d) Interest accrued and due on borrowings                                    | Nil                         | Nil                         |
| (e) Income received in advance  | Nil                         | Nil                         |
| (f) Unpaid dividends  | Nil                         | Nil                         |
| (g) Application money received for allotment of securities and due for refund | Nil                         | Nil                         |
| (h) Unpaid matured deposits and interest accrued thereon                      | Nil                         | Nil                         |
| (i) Unpaid matured debentures and interest accrued thereon                    | Nil                         | Nil                         |
| <b>Other payables (specify nature)</b>  |                             |                             |
| Service Tax Payable   | 3,508                       | -                           |
| Sale Tax Payable  | -                           | 94,408                      |
| TDS Payable   | 46,798                      | 23,850                      |
| Expense Payable   | 759,348                     | 718,463                     |
| <b>Total</b>  | <b>809,654</b>              | <b>836,721</b>              |

**Note 6 Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956**

| <u>Short Term Borrowings</u>   | As at 31st Mar. 2013<br>Rs. | As at 31st Mar. 2012<br>Rs. |
|--|-----------------------------|-----------------------------|
| <b>Secured</b>   |                             |                             |
| <b>(a) Loans repayable on demand</b>   |                             |                             |
| from State Bank of India   |                             |                             |
| Bank Overdraft   | 151,307,717                 | 81,354,329                  |
| SLC  | 22,500,000                  | -                           |
| (Secured By Hypothecation of Book debts and Vehicle) from other parties  | Nil                         | Nil                         |
| <b>(b) Loans and advances from related parties</b>   | Nil                         | Nil                         |
| <b>(c) Deposits</b>  | Nil                         | Nil                         |
| <b>(d) Other loans and advances (specify nature)</b>   | Nil                         | Nil                         |
|  | <b>173,807,717</b>          | <b>81,354,329</b>           |
| <b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</b> |                             |                             |
| 1. Period of default   | NA                          | NA                          |
| 2. Amount  | NA                          | NA                          |
| <b>Unsecured</b>   |                             |                             |
| <b>(a) Loans repayable on demand</b>   |                             |                             |
| from banks   | Nil                         | Nil                         |
| from other parties   | Nil                         | Nil                         |
| <b>(b) Loans and advances from related parties</b>   | Nil                         | Nil                         |
| <b>(c) Deposits</b>  | Nil                         | Nil                         |
| <b>(d) Other loans and advances (specify nature)</b>   | Nil                         | Nil                         |
|  | -                           | -                           |
| <b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</b> |                             |                             |
| 1. Period of default   | NA                          | NA                          |
| 2. Amount  | NA                          | NA                          |
| <b>Total</b>   | <b>173,807,717</b>          | <b>81,354,329</b>           |

## Note 7 Disclosure Pursuant to Note no. 6 I (i), (ii), (iii), of Part I of Schedule VI to the Companies Act, 1956

| Fixed Assets                    | Gross Block                     |                    |  |                  |                                 |                                  | Accumulated Depreciation        |                                      |                                    |                  | Net Block                        |                                 |                                  |
|---------------------------------|---------------------------------|--------------------|--|------------------|---------------------------------|----------------------------------|---------------------------------|--------------------------------------|------------------------------------|------------------|----------------------------------|---------------------------------|----------------------------------|
|                                 | Balance as at 1st Apr. 2012 Rs. | Additions Rs.      | Acquired through business combinations Rs. | Disposals Rs.    | Revaluations/ (Impairments) Rs. | Balance As at 31st Mar. 2013 Rs. | Balance as at 1st Apr. 2012 Rs. | Depreciation charge for the year Rs. | Adjustment due to revaluations Rs. | On disposals Rs. | Balance As at 31st Mar. 2013 Rs. | Balance as at 1st Apr. 2012 Rs. | Balance As at 31st Mar. 2013 Rs. |
| <b>Tangible Assets</b>          |                                 |                    |  |                  |                                 |                                  |                                 |                                      |                                    |                  |                                  |                                 |                                  |
| A                               |                                 |                    |  |                  |                                 |                                  |                                 |                                      |                                    |                  |                                  |                                 |                                  |
| Computer                        | 3,050,000                       | -                  | -  | -                | -                               | 3,050,000                        | 247,203                         | 494,405                              | -                                  | -                | 741,608                          | 2,802,798                       | 2,308,393                        |
| Furniture                       | 37,555                          | -                  | -  | -                | -                               | 37,555                           | 20,489                          | 2,377                                | -                                  | -                | 22,866                           | 17,066                          | 14,689                           |
| Telephone Instrument            | 53,719                          | -                  | -  | -                | -                               | 53,719                           | 21,179                          | 2,552                                | -                                  | -                | 23,731                           | 32,540                          | 29,988                           |
| Air Conditioner                 | 68,500                          | -                  | -  | -                | -                               | 68,500                           | 20,079                          | 3,254                                | -                                  | -                | 23,332                           | 48,421                          | 45,168                           |
| HYUNDAI                         | 743,444                         | -                  | -  | -                | -                               | 743,444                          | 247,334                         | 70,627                               | -                                  | -                | 317,962                          | 496,110                         | 425,482                          |
| Honda City                      | 918,656                         | -                  | -  | -                | -                               | 918,656                          | 148,004                         | 87,272                               | -                                  | -                | 235,277                          | 770,652                         | 683,379                          |
| Commercial Vehicle              | 242,524,600                     | 104,351,000        | -  | 4,351,000        | -                               | 342,524,600                      | 102,921,533                     | 39,804,900                           | -                                  | 336,224          | 142,390,209                      | 139,603,067                     | 200,134,391                      |
| <b>Sub Total</b>                | <b>247,396,474</b>              | <b>104,351,000</b> | <b>-</b>                                   | <b>4,351,000</b> | <b>-</b>                        | <b>347,396,474</b>               | <b>103,625,821</b>              | <b>40,465,387</b>                    | <b>-</b>                           | <b>336,224</b>   | <b>143,754,984</b>               | <b>143,770,653</b>              | <b>203,641,490</b>               |
| <b>Intangible Assets</b>        |                                 |                    |  |                  |                                 |                                  |                                 |                                      |                                    |                  |                                  |                                 |                                  |
| B                               |                                 |                    |  |                  |                                 |                                  |                                 |                                      |                                    |                  |                                  |                                 |                                  |
| Goodwill                        | 78,976,892                      | -                  | -  | -                | -                               | 78,976,892                       | 15,795,378                      | 7,897,689                            | -                                  | -                | 23,693,068                       | 63,181,514                      | 55,283,824                       |
| <b>Sub Total</b>                | <b>78,976,892</b>               | <b>-</b>           | <b>-</b>                                   | <b>-</b>         | <b>-</b>                        | <b>78,976,892</b>                | <b>15,795,378</b>               | <b>7,897,689</b>                     | <b>-</b>                           | <b>-</b>         | <b>23,693,068</b>                | <b>63,181,514</b>               | <b>55,283,824</b>                |
| <b>Capital Work in Progress</b> |                                 |                    |  |                  |                                 |                                  |                                 |                                      |                                    |                  |                                  |                                 |                                  |
| C                               |                                 |                    |  |                  |                                 |                                  |                                 |                                      |                                    |                  |                                  |                                 |                                  |
| <b>Total</b>                    | <b>326,373,366</b>              | <b>104,351,000</b> | <b>-</b>                                   | <b>4,351,000</b> | <b>-</b>                        | <b>426,373,366</b>               | <b>119,421,199</b>              | <b>48,363,076</b>                    | <b>-</b>                           | <b>336,224</b>   | <b>167,448,052</b>               | <b>206,952,167</b>              | <b>258,925,314</b>               |

## For And On Behalf Of The Board Of Directors

For SRY & ASSOCIATES  
Chartered Accountants  
Firm. Reg. No. 011227N

Rajan Gupta  
Partner

M. No. 089469

Place: New Delhi

Date: May 30, 2013

Anil Thukral  
Director

DIN 01168540

Sheetal Thukral  
Additional Director

DIN 01168506

Vivek Khosla  
Company Secretary

M. No. A26608

| <b>Note 8 Disclosure pursuant to Note no. 6 K (i) of Part I of Schedule VI to the Companies Act, 1956</b> |   |   |   |
|---|---|---|---|
|   | <b>Particulars</b>  | <b>As at 31st Mar.<br/>2013<br/>Rs.</b> | <b>As at 31st Mar.<br/>2012<br/>Rs.</b> |
| <b>A</b>  | <b>Trade Investments</b>                                    |   |   |
|   | (a) Investment Properties                                   | Nil                                     | Nil                                     |
|   | (b) Investment in Equity instruments                        | Nil                                     | Nil                                     |
|   | (c) Investments in preference shares                        | Nil                                     | Nil                                     |
|   | (d) Investments in Government or Trust securities           | Nil                                     | Nil                                     |
|   | (e) Investments in debentures or bonds                      | Nil                                     | Nil                                     |
|   | (f) Investments in Mutual Funds                             | Nil                                     | Nil                                     |
|   | (g) Investments in partnership firms*                       | Nil                                     | Nil                                     |
|   | (h) Other non-current investments (specify nature)          | Nil                                     | Nil                                     |
|   | <b>Total (A)</b>  | Nil                                     | Nil                                     |
| <b>B</b>  | <b>Other Investments</b>                                    |   |   |
|   | (a) Investment Properties                                   | Nil                                     | Nil                                     |
|   | (a) Investment in Equity instruments (Refer Note 6a below)  | Nil                                     | Nil                                     |
|   | (c) Investments in preference shares                        | Nil                                     | Nil                                     |
|   | (d) Investments in Government or Trust securities           | Nil                                     | Nil                                     |
|   | (e) Investments in debentures or bonds                      | Nil                                     | Nil                                     |
|   | (b) Investments in Mutual Funds (Refer Note 6b serial No.B) | Nil                                     | Nil                                     |
|   | (g) Investments in partnership firms*                       | Nil                                     | Nil                                     |
|   | (h) Other non-current investments (specify nature)          | Nil                                     | Nil                                     |
|   | <b>Total (B)</b>  | Nil                                     | Nil                                     |
|   | <b>Grand Total (A + B)</b>                                  | Nil                                     | Nil                                     |
|   | Less : Provision for diminution in the value of Investments | Nil                                     | Nil                                     |
|   | <b>Total</b>  | Nil                                     | Nil                                     |

**Note 8 a Investments in Equity Shares**

|   | <b>Particulars</b>                       | <b>As at 31st Mar.<br/>2013<br/>Rs.</b> | <b>As at 31st Mar.<br/>2012<br/>Rs.</b> |
|---|--|---|---|
| 1 | Aggregate amount of quoted investments   | Nil                                     | Nil                                     |
| 2 | Aggregate amount of unquoted investments | Nil                                     | Nil                                     |



| A. Details of Trade Investments |  |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
|---------------------------------|--|---|-----------------------|------|--------------------|--------------------------|-----------------------|------|--------------|------|---------------------------------|---|
| Sr. No.                         | Name of the Body Corporate                     | Subsidiary / Associate / JV/ Controlled Entity / Others | No. of Shares / Units |      | Quoted / Un-quoted | Partly Paid / Fully paid | Extent of Holding (%) |      | Amount (Rs.) |      | Whether stated at Cost Yes / No | If Answer to Column (12) is 'No' - Basis of Valuation |
|                                 |  |   | 2013                  | 2012 |                    |                          | 2013                  | 2012 | 2013         | 2012 |                                 |   |
| (1)                             | (2)  | (3)   | (4)                   | (5)  | (6)                | (7)                      | (8)                   | (9)  | (10)         | (11) | (12)                            | (13)  |
| (a)                             | Investment Properties                          |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (b)                             | Investment in Equity Instruments               |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (c)                             | Investments in Preference Shares               |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (d)                             | Investments in Government or Trust securities  |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (e)                             | Investments in Debentures or Bonds             |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (f)                             | Investments in Mutual Funds                    |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (g)                             | Investments in partnership firms*              |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (h)                             | Other non-current investments (specify nature) |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
|                                 | <b>Total</b>                                   |   |                       |      |                    |                          |                       |      | -            | -    |                                 |   |

NIL

## Note 8b : Details of Other Investments

| Sr. No. | Name of the Body Corporate                     | Subsidiary / Associate / JV/ Controlled Entity / Others | No. of Shares / Units |      | Quoted / Un-quoted | Partly Paid / Fully paid | Extent of Holding (%) |      | Amount (Rs.) |      | Whether stated at Cost Yes / No | If Answer to Column (12) is 'No' - Basis of Valuation |
|---------|--|---|-----------------------|------|--------------------|--------------------------|-----------------------|------|--------------|------|---------------------------------|---|
|         |  |   | 2013                  | 2012 |                    |                          | 2013                  | 2012 | 2013         | 2012 |                                 |   |
| (1)     | (2)  | (3)   | (4)                   | (5)  | (6)                | (7)                      | (8)                   | (9)  | (10)         | (11) | (12)                            | (13)  |
| (a)     | Investment Properties                          |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (b)     | Investment in Equity Instruments               |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (c)     | Investments in Preference Shares               |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (d)     | Investments in Government or Trust securities  |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (e)     | Investments in Debentures or Bonds             |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (f)     | Investments in Mutual Funds                    |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (g)     | Investments in partnership firms*              |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
| (h)     | Other non-current investments (specify nature) |   |                       |      |                    |                          |                       |      |              |      |                                 |   |
|         | <b>Total</b>                                   |   |                       |      |                    |                          |                       |      | -            | -    |                                 |   |

NIL

Note: Long term investments are valued at cost &amp; dividend earned reinvested.

| <b>Note 9 Disclosure pursuant to Note no. 6 L (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956</b> |                            |                            |
|--|----------------------------|----------------------------|
| <b>Long Term Loans and Advances</b>  | <b>As at 31 March 2013</b> | <b>As at 31 March 2012</b> |
|  | <b>Rs.</b>                 | <b>Rs.</b>                 |
| <b>a. Capital Advances</b>   | -                          | -                          |
| Secured, considered good   | -                          | -                          |
| Unsecured, considered good   | -                          | -                          |
| Doubtful   | -                          | -                          |
| <b>b. Security Deposits</b>  |                            |                            |
| Secured, considered good   | -                          | -                          |
| Unsecured, considered good   | 1,675,638                  | 1,995,438                  |
| Doubtful   | -                          | -                          |
| Less: Provision for doubtful deposits  | -                          | -                          |
|  | 1,675,638                  | 1,995,438                  |
| <b>c. Loans and advances to related parties</b>  | -                          | -                          |
| <b>b. Other loans and advances (specify nature)</b>  | -                          | -                          |
|  | <b>1,675,638</b>           | <b>1,995,438</b>           |

| <b>Note 9A Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956</b> |                            |                            |
|---|----------------------------|----------------------------|
| <b>Particulars</b>  | <b>As at 31 March 2013</b> | <b>As at 31 March 2012</b> |
|   | <b>Rs.</b>                 | <b>Rs.</b>                 |
| Directors *   | Nil                        | Nil                        |
| Other officers of the Company *   | Nil                        | Nil                        |
| Firm in which director is a partner *   | Nil                        | Nil                        |
| Private Company in which director is a member   | Nil                        | Nil                        |
|   | Nil                        | Nil                        |

\*Either severally or jointly

| Note 10 Disclosure pursuant to Note no.6 N (i) and (ii) of Part I of Schedule VI to the Companies Act, 1956 |  |   |                       |                      |                    |                          |                       |                      |                      |                      |                               |
|---|--|---|-----------------------|----------------------|--------------------|--------------------------|-----------------------|----------------------|----------------------|----------------------|-------------------------------|
| Details of Current Investments  |  |   |                       |                      |                    |                          |                       |                      |                      |                      |                               |
| Sr. No.   | Name of the Body Corporate                     | Subsidiary / Associate / JV/ Controlled Entity / Others | No. of Shares / Units |                      | Quoted / Un-quoted | Partly Paid / Fully paid | Extent of Holding (%) |                      | Amount (Rs.)         |                      | Basis of Valuation            |
|   |  |   | As at 31st Mar. 2013  | As at 31st Mar. 2012 |                    |                          | As at 31st Mar. 2013  | As at 31st Mar. 2012 | As at 31st Mar. 2013 | As at 31st Mar. 2012 |                               |
| (1)   | (2)  | (3)   | (4)                   | (5)                  | (6)                | (7)                      | (8)                   | (9)                  | (10)                 | (11)                 | (12)                          |
| (a)   | Investment in Equity Instruments               |   |                       |                      |                    |                          |                       |                      |                      |                      |                               |
| (b)   | Investments in Preference Shares               |   |                       |                      |                    |                          |                       |                      |                      |                      |                               |
| (c)   | Investments in Government or Trust securities  |   |                       |                      |                    |                          |                       |                      |                      |                      |                               |
| (d)   | Investments in Debentures or Bonds             |   |                       |                      |                    | NIL                      |                       |                      |                      |                      |                               |
| (e)   | Investments in Mutual Funds                    |   |                       |                      |                    |                          |                       |                      |                      |                      |                               |
|   | -----  | Others  | NA                    | NA                   | Unquoted           | Fully paid               | NA                    | NA                   | -                    | -                    | Lower of cost or market value |
| (f)   | Investments in partnership firms*              |   |                       |                      |                    |                          |                       |                      |                      |                      |                               |
| (g)   | Other non-current investments (specify nature) |   |                       |                      |                    |                          |                       |                      |                      |                      |                               |
|   | <b>Total</b>                                   |   |                       |                      |                    |                          |                       |                      | -                    | -                    |                               |

| Note 11 Disclosure pursuant to Note no.6 O (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956 |                      |     |                      |     |
|--|----------------------|-----|----------------------|-----|
| Inventories  | As at 31st Mar. 2013 |     | As at 31st Mar. 2012 |     |
|  | Rs.                  | Rs. | Rs.                  | Rs. |
| a. Raw Materials and components (Valued at _____)  | Nil                  | Nil | Nil                  | Nil |
| b. Work-in-progress (Valued at _____)  | Nil                  | Nil | Nil                  | Nil |
| c. Finished goods (Valued at _____)  | Nil                  | Nil | Nil                  | Nil |
| e. Stores and spares (Valued at _____)   | Nil                  | Nil | Nil                  | Nil |
| f. Loose Tools (Valued at _____)   | Nil                  | Nil | Nil                  | Nil |
| g. Others (Specify nature)   | Nil                  | Nil | Nil                  | Nil |
| <b>Total</b>   |                      |     | -                    | -   |

| <b>Note 12 Disclosure pursuant to Note no.6 P (i), (ii), (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956</b> |                             |                             |
|---|-----------------------------|-----------------------------|
| <b>Trade Receivables</b>  | <b>As at 31st Mar. 2013</b> | <b>As at 31st Mar. 2012</b> |
|   | <b>Rs.</b>                  | <b>Rs.</b>                  |
| Trade receivables outstanding for a period less than six months from the date they are due for payment                          |                             |                             |
| Secured, considered good  | -                           | -                           |
| Unsecured, considered good  | 267,296,637                 | 236,072,720                 |
| Unsecured, considered doubtful  | -                           | -                           |
| Less: Provision for doubtful debts  | -                           | -                           |
|   | 267,296,637                 | 236,072,720                 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment                          |                             |                             |
| Secured, considered good  | -                           | -                           |
| Unsecured, considered good  | 12,332,179                  | 2,423,585                   |
| Unsecured, considered doubtful  | -                           | -                           |
| Less: Provision for doubtful debts  | -                           | -                           |
|   | 12,332,179                  | 2,423,585                   |
| <b>Total</b>  | <b>279,628,817</b>          | <b>238,496,305</b>          |

| <b>Note 13 Disclosure pursuant to Note no.6 Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956</b> |                             |            |                             |            |
|--|-----------------------------|------------|-----------------------------|------------|
| <b>Cash and cash equivalents</b>   | <b>As at 31st Mar. 2013</b> |            | <b>As at 31st Mar. 2012</b> |            |
|  | <b>Rs.</b>                  | <b>Rs.</b> | <b>Rs.</b>                  | <b>Rs.</b> |
| <b>a. Balances with banks*</b>   |                             | -          |                             | -          |
| <b>In Fixed deposits with State Bank of India</b>  |                             | 1,087,688  |                             | 855,000    |
| <b>In Current Accounts</b>   |                             |            |                             |            |
| Kotak Mahindra Bank  | 183,308                     |            | 211,503                     |            |
| Bank Of India  | -                           |            | 11,346                      |            |
| State Bank Of India  | 5,631                       |            | 7,495,862                   |            |
| Canara Bank  | 1,531                       |            | 1,531                       |            |
| Citi Bank Limited  | -                           |            | 100,000                     |            |
| Karnatka Bank Limited  | 2,365                       |            | 25,457                      |            |
| b. Cheques, drafts on hand   | -                           | -          | -                           | -          |
| c. Cash on hand*   | -                           | 1,483,673  | -                           | 2,620,654  |
|  |                             | 2,764,196  |                             | 11,321,353 |

**Note 14 Disclosure pursuant to Note no.6 R (i), (ii)and (iii) of Part I of Schedule VI to the Companies Act, 1956**

| Short-term loans and advances                   | As at 31st Mar. 2013 |            | As at 31st Mar. 2012 |            |
|---|----------------------|------------|----------------------|------------|
|   | Rs.                  | Rs.        | Rs.                  | Rs.        |
| <b>a. Loans and advances to related parties</b> |                      |            |                      |            |
| Secured, considered good                        | -                    |            |                      |            |
| Unsecured, considered good                      | -                    |            | 3,561,064            |            |
| Doubtful  | -                    |            |                      |            |
| Less:Provision for doubtful loans and advances  | -                    |            |                      |            |
|   |                      | -          |                      | 3,561,064  |
| <b>b. Others (specify nature)</b>               |                      |            |                      |            |
| Secured, considered good                        | 21,204               |            | -                    |            |
| Receivable from Revenue authorities             | 11,771,177           |            | 9,887,436            |            |
| Prepaid expenses                                | -                    |            | -                    |            |
| Service Tax Credit                              | -                    |            | -                    |            |
|   |                      | 11,792,381 |                      | 9,887,436  |
|   |                      | 11,792,381 |                      | 13,448,500 |

**Note 15 Disclosure pursuant to Note no. 2A of Part II of Schedule VI to the Companies Act, 1956**

| Revenue from Operations  | For the year ending 31st Mar. 2013 | For the year ended 31st Mar. 2012 |
|--------------------------|------------------------------------|-----------------------------------|
|                          | Rs.                                | Rs.                               |
| Sale of product          | -                                  | 3,534,060                         |
| Sale of services         | 904,073,832                        | 771,577,946                       |
| Other operating revenues | -                                  | -                                 |
| <u>Less:</u>             |                                    |                                   |
| Service Tax              | -                                  | -                                 |
| <b>Total</b>             | <b>904,073,832</b>                 | <b>775,112,006</b>                |

**Note 16 Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956**

| Other Incomes   | For the year ended 31st Mar. 2013 | For the year ended 31st Mar. 2012 |
|---|-----------------------------------|-----------------------------------|
|   | Rs.                               | Rs.                               |
| Interest Income (in case of a company other than a finance company) | 303,912                           | 108,367                           |
| Dividend Income   | -                                 | -                                 |
| Net gain/loss on sale of Fixed Assets                               | 27,052                            | (169,356)                         |
| Profit from Joint Venture   | 95,776                            | -                                 |
| <b>Total</b>  | <b>426,740</b>                    | <b>(60,989)</b>                   |

**Note 17 Other expenses****Note 17A Disclosure pursuant to Note no. 5 of Part II of Schedule VI to the Companies Act, 1956**

| Additional Information        | For the year ended<br>31st March 2013<br>Rs. | For the year ended<br>31st March 2012<br>Rs. |
|-------------------------------|--|--|
| Vehicle Running & Maintenance | 42,813,890                                   | 47,563,006                                   |
| Power & Fuel                  | -  | 2,531,390                                    |
| Insurance                     | 1,883,073                                    | 1,281,419                                    |
| Telephone & Telex             | 1,050,156                                    | 1,124,609                                    |
| Business Promotion            | 3,011,094                                    | 3,229,088                                    |
| Advertisement Expense         | 103,943                                      | 124,363                                      |
| Demurrage / Warfage Expense   | 27,720                                       | 550,000                                      |
| Custodial Expenses            | 100,000                                      | 66,180                                       |
| Conveyance Expenses           | 327,687                                      | 947,462                                      |
| Commission & Brokerage        | 100,450                                      | 271,465                                      |
| Meeting Expenses              | 127,310                                      | 418,645                                      |
| Donation                      | -  | 20,000                                       |
| Electricity & Water Expenses  | 86,427                                       | 358,443                                      |
| Fees & Charges                | 81,776                                       | 14,054,376                                   |
| General Expense               | 30,000                                       | 519,990                                      |
| Rebate & Discount             | 3,550,001                                    | 1,673,497                                    |
| Postage & Telegraph           | 51,004                                       | 52,664                                       |
| Printing & stationary         | 698,200                                      | 642,199                                      |
| Professional & Legal Expenses | 172,947                                      | 1,499,627                                    |
| Rent Office                   | 1,044,500                                    | 1,088,044                                    |
| Bank Charges                  | 1,173,229                                    | 587,762                                      |
| Travelling                    | 1,501,432                                    | 1,482,660                                    |
| <b>Total</b>                  | <b>57,934,839</b>                            | <b>80,086,888</b>                            |

**Note 17B Disclosure pursuant to Note no. 5(i)(j) of Part II of Schedule VI to the Companies Act, 1956**

| Payments to the auditor as       | For the year ended<br>31st Mar. 2013<br>Rs. | For the year ended<br>31st Mar. 2012<br>Rs. |
|----------------------------------|---|---|
| Auditor                          |   |   |
| a. for taxation matters          | 5,000                                       | 5,000                                       |
| b. for company law matters       | 10,000                                      | 10,000                                      |
| c. for management services       | -   | -   |
| d. for other services            | 5,000                                       | 5,000                                       |
| e. for reimbursement of expenses | -   | -   |
| f. Service Tax                   | 2,472                                       | 2,060                                       |
| <b>Total</b>                     | <b>22,472</b>                               | <b>22,060</b>                               |

**Note 18 Disclosure pursuant to Note no. 5(i)(a) of Part II of Schedule VI to the Companies Act, 1956**

| <b>Employee Benefits Expense</b> | <b>For the year ended<br/>31st Mar. 2013<br/>Rs.</b> | <b>For the year ended<br/>31st Mar. 2012<br/>Rs.</b> |
|----------------------------------|--|--|
| (a) Salaries and incentives      | 37,689,605   | 50,177,592   |
| (b) Contributions to -           |  |  |
| (i) Provident fund               | -  | -  |
| (ii) Superannuation scheme       | -  | -  |
| (c) Gratuity                     | -  | -  |
| (d) Staff welfare expenses       | 286,888  | 1,066,502  |
| <b>Total</b>                     | <b>37,976,493</b>                                    | <b>51,244,094</b>                                    |

**Note 19 Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956**

| <b>Finance Cost</b>                     | <b>For the year ended<br/>31st Mar. 2013<br/>Rs.</b> | <b>For the year ended<br/>31st Mar. 2012<br/>Rs.</b> |
|---|--|--|
| (a) Interest to bank on term Loan       | 2,496,716  | 6,760,158  |
| (b) Interest to bank on working capital | 12,060,533   | 13,527,910   |
| <b>Total</b>                            | <b>14,557,249</b>                                    | <b>20,288,068</b>                                    |

**NOTE 20 – NOTES FORMING PARTS OF BALANCE SHEET & PROFIT AND LOSS ACCOUNTS****A SIGNIFICANT ACCOUNTING POLICIES****1. Accounting Convention**

The accounts have been prepared under the historical cost conventions to comply in all material aspects with applicable accounting principles in India, and are in accordance with Generally Accepted Accounting Principles and the Accounting Standards issued by Institute of Chartered Accountants of India to the extent applicable and the relevant provisions of the Companies Act, 1956. GAAP comprises mandatory Accounting Standard as prescribed by the companies (Accounting Standards) rules 2006, provisions of companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

The preparation of the financial statements in accordance with the generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The financial statements have been prepared under historical cost convention on an accrual basis. The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**2. Fixed assets**

Fixed assets are stated at cost less accumulated depreciation, impairment loss, if any. Cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition, commissioning and installation incurred to bring the assets to its working condition for intended use.

**3. Depreciation including amortization of intangible assets**

Depreciation is provided on the straight-line method at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956 based on the estimated useful life of the asset as determined by the management. For additions and disposals, depreciation is provided pro-rata for the period of use. The management had decided to amortize the goodwill over a period of ten years.

**4. Revenue recognition**

Revenue from sale of services (freight & forwarding) is recognized on accrual basis on completion of job.

**Transportation** Sales are recognized when the vehicles dispatched. Interest Income is recognized on time proportion basis.

**5. Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

**6. Taxation**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961 and based on the expected outcome of assessment/ appeals.

Deferred tax is recognized on timing difference between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted on the Balance Sheet date.

**7. Earnings per share**

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

**8. Cash Flow Statement:**

Cash Flows are reported using the indirect method as specified in Accounting Standard (AS-3) "Cash Flow Statement". Cash and Cash Equivalent comprises of cash in hand, balance in bank accounts and earmarked fixed deposits with bank.



**9. PROVISIONS: PROVISION AND CONTINGENT LIABILITIES:**

Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:

- the company has a present obligation as a result of a past event;
- a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
- the amount of the obligation can be reliably estimated

**Contingent liability is disclosed in case there is:**

- Possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
- a present obligation arising past events but is not recognized
  - when it is not possible that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - A reliable estimate of the amount of the obligation cannot be made.

**(B) NOTES TO ACCOUNTS**

1 The Company has some pending cases with sales tax and central excise, which the company has not acknowledged as debt.

**2 Contingent Liability**

- There are disputed Liabilities on account of Sales Tax amounting Rs. 89,11,734/- the below mentioned disputes had been appealed before the appropriate appellate authority :

|                                      |              |
|--------------------------------------|--------------|
| A) Against Sales Tax (A.Y.1988-1989) | 7,66,336.00  |
| B) Against Sales Tax (A.Y.1998-1999) | 13,45,091.00 |
| C) Against Sales Tax (A.Y.1999-2000) | 6,21,721.00  |
| D) Against Sales Tax (A.Y.2000-2001) | 58,77,118.00 |
| E) Against Sales Tax (A.Y.2002-2003) | 3,01,468.00  |

- There is disputed Liability on account of Central Excise, amounting Rs. 25,00,000/- being penalty as per order No. 18/2009 dated 30/03/2009 of Commissioner, Central Excise, Delhi received by the Company on 16-06-2009. We have been informed by the management of the Company that the said demand will be contested in appeal before the appropriate appellate authority within the stipulated time allowed as per law.

- The performance Bank Guarantee amounting to Rupees 44,09,550/- have been issued to parties.

3. In the opinion of management, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to that stated in the Balance Sheet.

4. **Capital and other commitments:** The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31<sup>st</sup> March, 2013 is NIL (Previous Year:- NIL)

**5. Payment to Directors**

|               | Current Year | Previous Year |
|---------------|--------------|---------------|
| Remunerations | Rs. NIL      | Rs. NIL       |

**6. Payment to Auditor**

|                           | Current Year | Previous Year |
|---------------------------|--------------|---------------|
| For Audit fee             | 10,000.00    | 10,000.00     |
| For Tax Audit fee         | 5,000.00     | 5,000.00      |
| For other Taxation matter | 5,000.00     | 5,000.00      |
| Service Tax               | 2,472.00     | 2,060.00      |
| Total                     | 22,472.00    | 22,060.00     |

## 7. Expenditure in foreign currency

|                      | Current Year | Previous Year |
|----------------------|--------------|---------------|
| For Traveling/others | NIL          | NIL           |

## 8. Deferred Tax Provision for Deferred Tax Assets / Liabilities\_

| S.No. | Particulars                         | DTA         | DTL            |
|-------|-------------------------------------|-------------|----------------|
| 1     | DTL as 01/04/2012                   |             | 2,15,42,407.00 |
| 2     | DTL on Fixed Assets                 |             | 73,19,443.13   |
| 3     | DTA for the carry forward of losses | 9,84,862.46 |                |
| 4     | DTL as on 31/03/2013                |             | 2,78,76,987.67 |

9. Debits and credit balances of suppliers, customers and other are subject to confirmation and reconciliation.

10. Balance in non-operative bank accounts are subject to confirmation and reconciliation.

11. The earning per share, basic as well as diluted, is Rs. 0.06 per share.

12. Notes 1 -20 form as integral Para of the accounts and have been authenticated as such.

13. Employee Benefits Disclosures required under Accounting Standard 15

The provision of the Gratuity Act is not applicable to the company. The company does not have any employee more than five year old.

14. Related Party disclosure :

(I) Key Managerial Personnel

|                 |                     |
|-----------------|---------------------|
| Anil Thukral    | Director            |
| Sheetal Thukral | Additional Director |

(II) The list of the concern where related parties are interested :

(a) Shri Krishan Aggregates Private Limited

During the year there were no related party transactions.

15. i). The company has entered in a Joint Ventures guided by respective agreement, for the aforesaid period.

| Name                                   | Participation Share | Country of Incorporation |
|--|---------------------|--------------------------|
| "Dynamic movers-Blueview-Khazana (JV)" | 51%                 | India                    |

ii) "Dynamic Movers-Blueview-Khazana" has been awarded a contract amounting to Rs. 6 Crore by East Central Railway for the work related in connection with the New B.G Rail line Between Koderma-Giridih, Reach-VII.

## The shares of company in joint venture as follows:

| Particulars            | Current Year  | Previous Year |
|------------------------|---------------|---------------|
| <b>1. Assets:</b>      |               |               |
| a. Fixed Assets        | NIL           | NIL           |
| b. Current Assets:     |               |               |
| (i) Work In Progress   | 1,27,50,000/  | NIL           |
| (ii) Other C. Assets   | 54,80,563/    | 2,15,181/-    |
| <b>2. Liabilities:</b> |               |               |
| a. Unsecured Loan      | 3,57,000/     | NIL           |
| b. Current Assets      | 1,77,77,787/  | NIL           |
| <b>3. Income:</b>      | 1,97,81,011/  | NIL           |
| <b>4. Expenses:</b>    | 3,24,35,235/- | NIL           |

16. Previous year's figures have been regrouped, reclassified and rearranged in pursuant of revised schedule VI wherever necessary to correspond with the figures of the current year.

In terms of our report of even date attached

**For SRY & ASSOCIATES,  
Chartered Accountants**  
Firm Reg. No. 011227N

**For and on behalf of Board**

**Rajan Gupta**

(Partner)

Membership No. 089469

**Anil Thukral**

Director

DIN 01168540

**Sheetal Thukral**

Additional Director

DIN 01168506

**Vivek Khosla**

Company Secretary

M. No. A26608

Date: May 30, 2013

Place: New Delhi

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH , 2013

| PARTICULARS   | (Amount in Rs.)     |                     |
|---|---------------------|---------------------|
|   | 31.03.2013          | 31.03.2012          |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                   |                     |                     |
| Net Profit Before Tax   | 10,763,833          | 5,270,131           |
| Adjustment for :  |                     |                     |
| Depreciation & Amortation                                       | 40,465,387          | 38,680,678          |
| Interest Expenses   | 14,557,249          | 20,288,068          |
| Interest Received   | (303,912)           | (108,367)           |
| Loss on sale of Assets  | -                   | 6,731,021           |
| Profit on sale of Assets  | (27,052)            | (6,561,664)         |
| Goodwill W/off  | 7,897,689           | 7,897,689           |
| Operating Profit before working capital changes                 | <b>73,353,194</b>   | <b>72,197,556</b>   |
| Adjustment for change in Current Assets and Current Liabilities |                     |                     |
| <b>Current Assets:</b>  |                     |                     |
| (Increase)/Decrease in Sundry Debtors                           | (41,132,512)        | 27,833,985          |
| (Increase)/Decrease in Loans & Advances                         | 1,656,119           | 3,594,729           |
| (Increase)/Decrease in Other Current Assets                     | -                   | -                   |
| <b>Current Liabilities:</b>                                     |                     |                     |
| Increase/(Decrease) in Trade Creditors                          | 16,725,051          | (65,730,150)        |
| Increase/(Decrease) in Other Current Liabilities                | (27,067)            | (3,313,469)         |
| Cash used in Operating activities                               | 50,574,786          | 34,582,651          |
| Direct Taxes Paid   | 1,005,520           | 1,346,909           |
| <b>Net Cash generated/(used) in Operating Activities</b>        | <b>49,569,266</b>   | <b>33,235,742</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                   |                     |                     |
| Sale of Fixed Assets  | 4,041,828           | 46,903,417          |
| (Purchase) of Fixed Assets                                      | (104,351,000)       | (53,208,490)        |
| Long Term Loan & Advance  | 319,800.32          | -                   |
| Interest Received   | 303,912             | 108,367             |
| <b>Net Cash used in Investing Activities</b>                    | <b>(99,685,460)</b> | <b>(6,196,706)</b>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                   |                     |                     |
| Increase in Share Capital                                       | -                   | -                   |
| Increase/(Decrease) in Unsecured Loan                           | -                   | -                   |
| Increase in Secured Loan  | 92,453,387          | 31,343,413          |
| (Decrease) in Secured Loan                                      | -                   | -                   |
| Increase/(Decrease) in Term Loan                                | (36,337,102)        | (57,950,567)        |
| Interest Paid   | (14,557,249)        | (20,288,068)        |
| <b>Net Cash Generated/(used) in Financing Activities</b>        | <b>41,559,036</b>   | <b>(46,895,222)</b> |
| Net Increase /(Decrease) in cash & cash equivalents             | (8,557,157)         | (19,856,186)        |
| Cash equivalents as on the beginning of the year                | 11,321,353          | 31,177,539          |
| Cash equivalents as on the end of the year                      | 2,764,196           | 11,321,353          |
|   | -                   | -                   |

For SRY & Associates  
Chartered Accountants  
Firm. R. No. 011227N

For and on behalf of Board

**Rajan Gupta**  
Partner  
Membership No. 089469

**Anil Thukral**  
Director  
DIN 01168540

**Sheetal Thukral**  
Director  
DIN 01168506

**Vivek Khosla**  
Company Secretary  
M. No. A26608

Date : May 30, 2013  
Place : New Delhi



**SRY & ASSOCIATES**

Chartered Accountants

**AUDITOR'S CERTIFICATE**

We have examined the cash flow statement, attached herewith, of M/s. MFL India Limited for the year ended 31<sup>st</sup> March, 2013. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

**For SRY & Associates  
Chartered Accountants**

**Rajan Gupta  
Partner  
Membership No. 089469**

Date: 5<sup>th</sup> September, 2013  
Place : New Delhi

**MFL INDIA LIMITED**

Dear Shareholders,

MFL INDIA LIMITED is an Environment friendly Company and utilizes natural resources in a sustainable way. Recently ,the Ministry of Corporate Affairs (MCA),Government of India through its Circular Nos. 17/2012 and 18/2012,dated April 21,2012 and April 29,2012 respectively, has allowed companies to send officials documents to their shareholders electronically as part of its green initiatives in corporate governance.

In order to conserve paper and minimize the impact on the environment, the company proposes to send documents such as notice of the General Meetings, Audited Financial Statements, Directors and Auditors Reports, Postal Ballots etc, henceforth to all its shareholders in electronic form through emails

We request you to inform **your e-mail address** to your Depository Participants and also register your e-mail ID at mfdelhi81@gmail.com (Company E-mail ID) and our Registrar and Share Transfer Agents viz, "M/S Link Intime India Private Limited" at the website www.linkintime.com (E-mail ID: delhi@linkintime.co.in) in case you have already registered the same. You are not required to re-register unless there is change in your e-mail address.

**You are also required to intimate to the Depository Participants (DP), if any in your registered address e-mail ID and /or changes in your bank account details.**

We expect to receive your co-operations towards this welcome initiative taken by MCA

Thanking You

Yours truly

**FOR MFL INDIA LIMITED**

**Company Secretary**

Date: 5<sup>th</sup> September, 2013

Place : New Delhi

**ATTENDANCE SLIP**

**MFL INDIA LIMITED**

Regd. Office : B-802, Munirka Apartments, Plot No. 11, Sector 9, Dwarka, New Delhi - 110 075

|           |  |
|-----------|--|
| Folio No. |  |
| DP Id.*   |  |

|                |   |
|----------------|---|
| No.of Shares : |   |
| Client Id.     | : |

(To be handed over at the registration Counter)

I, hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 30<sup>th</sup> September, 2013 at 9.00 A.M. at G-8, Harsh Bhawan, 64-65, Nehru Place, New Delhi - 110019

(All particulars should Confirm with the Company's Records )

Member's Name : .....

(In Block Letters)

Father / Husband's Name : .....

Complete Address : .....

Email id: : .....

Proxy's Name : .....

Member/Proxy's Signature : .....

(To be signed at the time of handing over this slip)

**Note:**

- Members/proxies are required to bring the duly signed attendance slip to the meeting and hand it over at the entrance. (Please also bring your copy of the enclosed Annual Report)
  - All joint holders should use only one slip.
  - Attendance slip not filed in properly will not be entertained.
- \*:Applicable for investors holding shares in electronic form

MEMBERS MAYPLEASE NOTE THAT NO GIFTS SHALL BE DISTRIBUTEDAT THE MEETING

**PROXY FORM**

**MFL INDIA LIMITED**

Regd. Office: B-802, Munirka Apartments, Plot No. 11, Sector 9, Dwarka, New Delhi - 110 075

|           |  |
|-----------|--|
| Folio No. |  |
| DP Id.*   |  |

|                |   |
|----------------|---|
| No.of Shares : |   |
| Client Id.     | : |

I/We

| Name(s) in full | Father / Husbands Name | Address as Regd. with the Company. |
|-----------------|------------------------|------------------------------------|
| 1 .....         |                        |                                    |
| 2 .....         |                        |                                    |
| 3 .....         |                        |                                    |

being a member/members of MFL INDIA LIMITED, hereby appoint .. or failing him/her ..... of..... as my / our proxy to vote for me/us and on my/our behalf at the 30<sup>th</sup> Annual General meeting of the Company to be held on Monday, the 30<sup>th</sup> September, 2013 at 9.00 A.M. at G-8, Harsh Bhawan, 64-65, Nehru Place , New Delhi -110 019.

|                                 |         |         |         |
|---------------------------------|---------|---------|---------|
| Signature of the Shareholder(s) | 1 ..... | 2 ..... | 3 ..... |
| Signature of the Proxy(ies)     | 1 ..... | 2 ..... |         |

Date : .....

Revenue Stamp

**Note : The Proxy must be returned so as to reach the registered office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be member of the Company.**

\*:Applicable for investors holding shares in electronic form .