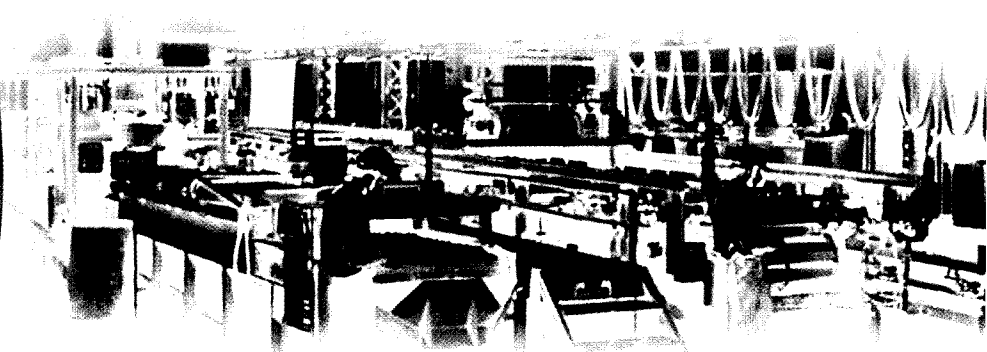




19th Annual Report

MOHINDRA FASTENERS LTD.



**For the Year Ended
31st March, 2013**

BOARD OF DIRECTORS

Mr. Ghanshyam Dass Soni
- Non – Executive Independent Director & Chairman

Mr. Deepak Arneja
- Managing Director & CEO

Mr. Ravinder Mohan Juneja
- Managing Director

Mr. Jatinder Pal Singh Narang
- Non - Executive Director

Mr. Sudhir Arneja
- Whole Time Director

SENIOR EXECUTIVES

Mr. Dheeraj Juneja
Mr. Prateek Arneja

COMPANY SECRETARY

Ms. Madhu Kaushik

BANKERS

The Karnataka Bank Limited
11/14, West Patel Nagar
New Delhi – 110 008

AUDITORS

M/s. GSK & Associates LLP
Chartered Accountants
8, 1st Floor, Rani Jhansi Road
Motia Khan Industrial Area
New Delhi - 110055

**REGISTRAR & SHARE
TRANSFER AGENT**

Skyline Financial Services (P) Ltd.
D-153 / A, 1st Floor,
Okhla Industrial Area, Phase-1,
New Delhi-110020

REGISTERED OFFICE

304, Gupta Arcade
Inder Enclave, Delhi – Rohtak Road
New Delhi – 110 087

WORKS (IN INDIA)

60th K. M. Stone, Delhi – Rohtak Road
N. H. No. 10, V & P.O. Kharawar,
District Rohtak (Haryana)-124001

60th K. M. Stone, Delhi – Rohtak Road
N. H. No. 10, V & P.O. Gandhra,
District Rohtak (Haryana)-124001

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of the Company will be held at Bansal Farm House, Hiranki Road, Bakhtawarpur, Delhi-110036 on Monday, 30th day of September, 2013 at 11:30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March 2013 and Statement of Profit & Loss for the year ending on 31st March 2013 together with Directors' & Auditors' Report thereon.
2. To declare the dividend on equity shares for the financial year ended on 31st March, 2013.
3. To appoint a director in place of Mr. Jatinder Pal Singh Narang, who retire by rotation and being eligible, offers himself for re – appointment.
4. To appoint a director in place of Mr. Ghanshyam Dass Soni, who retire by rotation and being eligible, offers himself for re – appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and fix their remuneration.

Regd. Office:

304, Gupta Arcade, Inder Enclave,
Delhi – Rohtak Road
New Delhi – 110 087

By order of the Board

Sd/-

Deepak Arneja
(Managing Director)

Place : New Delhi

Date : 27.07.2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY (IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF **AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.** THE PROXY FORM MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR ANNUAL GENERAL MEETING.
2. The Register of Members and Share Transfer Book will remain closed from 23.09.2013 to 30.09.2013 (both days inclusive).
3. Shareholders are requested to update their bank account particulars, change of address and other details with their respective Depository participants as well as to the Registrar and Transfer Agents (RTA).
4. Members are requested to get their shares dematerialized. The ISIN code of our securities with CDSL & NSDL is INE705H01011.
5. Relevant documents referred to in this accompanying Notice are open for inspection by the members at the registered office of the company on all working days between 11 A.M to 1.00 P.M and upto the date of the meeting.
6. For the convenience of the members, attendance slip is enclosed elsewhere in the Annual Report. Members/ Proxy Holders / Authorized Representative are requested to fill in and affix their signature at the space provided therein and surrender the same at the venue of the AGM. Proxy/ Authorized Representatives of a member should state on the attendance slip as "Proxy or Authorized Representative" as the case may be.
7. The Directors Report, Auditors' Report and Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the financial year ended on that date are enclosed.

8. The company has designated an exclusive e-mail id called cs@mohindra.asia for redressal of shareholders' /Investor complaints / grievances. In case you have any queries / complaints or grievances, then please write to us at the above e-mail address.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintain Demat Accounts .Members holding shares in physical form can submit their PAN details to the company.
10. Pursuant to the provision of Section 205A (5) and 205 (C) of the Companies Act, 1956, followed by the issue of Investor Education & Protection Fund (Awareness and Protection of the Investors) Rules, any dividend transferred by the company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer by the company to a fund called Investor Education & Protection Fund (the fund) set up of the Central Government.

Accordingly, unpaid/ unclaimed dividend for the Financial Year 2005-06 shall become transferrable to the fund on 29th September, 2013, followed by the transfer of the amount of unpaid /unclaimed dividends for the subsequent years. No claim shall lie thereafter against the fund or the company in respect of such amounts transferred. Shareholders are therefore requested to verify their records and send claims. If any, for the relevant years from 2005-06 onwards, before the respective amounts become due for transfer to the fund. The following are the details of the dividend declared by the company on respective due dates for claiming by the shareholders.

Dividend Year	Date of Declaration	Last Date for claim
2005-06	30/09/2006	29/09/2013
2006-07	29/09/2007	28/09/2014
2007-08	13/09/2008	12/09/2015
2008-09	29/09/2009	28/09/2016
2009-10	30/09/2010	29/09/2017
2010-11	16/09/2011	15/09/2018
2011-12	22/09/2012	21/09/2019

Those members who have not so far claimed their dividend for the financial year 2005-06, 2006-07, 2007-08, 2008-09,2009-10,2010-11 and 2011-12 are requested to make their claims to the company for obtaining their respective Demand Draft.

11. In order to avoid fraudulent encashment of the Dividend Warrant(s), members are advised to inform details of their bank account number and name and address of the Bank, for incorporating the same on the Dividend warrant(s).
12. The copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
13. In case of any query, Members are requested to send the same to the Company Secretary at least 10 days before the date of the meeting so that information can be made available at the meeting.
14. Members are requested to note that no GIFT will be distributed at the meeting.

Regd. Office:

304, Gupta Arcade, Inder Enclave,
Delhi – Rohtak Road
New Delhi – 110 087

By order of the Board

Sd/-
Deepak Arneja
(Managing Director)

Place : New Delhi
Date : 27.07.2013

Pursuant to the requirement of Corporate Governance, a brief resume of the Directors being re-appointed at the Annual General Meeting is given below:

	Particulars of Director	Particulars of Director
Name	Mr. Ghanshyam Dass Soni	Mr. Jatinder Pal Singh Narang
Date of Birth	12/03/1947	31/05/1953
Date of Appointment	02/03/1998	04/08/1995
Expertise in field	He has immense years of experience in Publication Industry	He has immense years of experience in Transport Industry
Directorships in other companies	1. Soni Publication Private Limited 2. Sumu Financial Services Private Limited	1. Kanpur Delhi Goods Carrier Ltd. 2. Kanpur Delhi Transport (P) Ltd. 3. Harjas Impex (P) Ltd. 4. J.P Fashion wear (P) Ltd.
Committee membership in Mohindra Fasteners Limited	1. Chairman-Audit Committee 2. Chairman-Share Transfer & Investor Grievances & Redressal Committee	NIL
Shareholding in the company.	1.93%	3.47%

Regd. Office:

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 Delhi – Rohtak Road
 New Delhi – 110 087

Place : New Delhi
 Date : 27.07.2013

By order of the Board

Sd/-

Deepak Arneja
 (Managing Director)

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 19th Annual Report and Audited Statement of Accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

	For the year ended	
	2012 – 2013 (₹ in Lacs)	2011 – 2012 (₹ In Lacs)
Sales/Other Income	8341.43	9307.75
Profit before Interest & Depreciation	1076.20	1304.11
Profit before Depreciation	844	895.03
Depreciation for the year	282.03	327.12
Profit before Taxation	561.97	567.91
Provision for Taxation:		
Current Tax	188	183
Deferred Tax	(0.32)	(9.88)
Profit after Tax	374.28	394.79
Add/Less Adjustment for previous year	8.25	(18.38)
Balance brought forward from previous year	1470.93	1207.91
Balance available for appropriation		
Proposed Dividend	85.71	80.35
Dividend Tax on proposed dividend	14.57	13.04
Transfer to General Reserve	30.00	20.00
Balance carried forward	1725.11	1470.93

COMPANY'S VISION

Our Company philosophy has always focused on customer satisfaction with uncompromising integrity and quality. We strive to carry products and new developments with the finest value and quality in the market. We envisage ourselves to be a solution provider to our customers.

COMPANY'S MISSION

The Company will strive to achieve the following:

- to maintain the quality systems as per the International standards
- to reduce the production cycle time and attain better operational efficiency
- to provide prompt services to all customers
- to reduce cost in all areas
- to add value in the supply chain to the customers
- to maximize the Shareholder's wealth

REVIEW OF OPERATIONS

The total net sales and other income of the Company have been recorded as ₹ 8341.43 Lacs for the Financial Year ending on 31st March, 2013. The corresponding figure for the previous financial year (ended 31st March, 2012) was ₹ 9307.75 Lacs. There is a decrease in turnover of about 10% . On a detailed analysis, the sales of the Company were lower in the last three quarters (Q2, Q3 and Q4 of Financial Year 2012-13), clearly reflecting the lower industrial output/ sentiments in the economy.

The recoveries in the export market have not been visible, affecting our export turnover also.

The Net Profit before tax (PBT) of the Company is ₹ 561.97 Lacs as compared to previous year figures of ₹ 567.91 Lacs, which is slightly lower by 1 %. We are striving towards protecting our bottom line growth.

DIVIDEND

Keeping in view MFL's tradition of high regard to the shareholders of the company, The Board is pleased to recommend the dividend @ 16% i.e. ₹ 1.60 per share of ₹ 10/- each fully paid up, for the financial year ended on 31st March, 2013. The dividend, if approved by the shareholders at the Annual General Meeting shall be payable to shareholders, whose names appear in the Register of Members, as on 23.09.2013. The total outgo on account of dividend, inclusive of Dividend Tax @ 16.995 % (inclusive of Surcharge & Educational Cess) stands at ₹ 100.28 Lacs. The tax will not be deducted at source.

TRANSFER TO GENERAL RESERVE

Out of the profits of the company, a sum of ₹ 30 Lacs transferred to general reserve and total reserve and surplus of the company is ₹ 1987.02 Lacs as on 31st March, 2013.

CURRENT PERFORMANCE

The Fasteners, as a product, has a derived demand and not a direct demand. The year that passed by, saw Industrial & Automotive activity going down.

In 2012-13, prominent Automotive Companies such as Maruti Suzuki India Ltd, Hero MotoCorp Ltd. TATA Motors Ltd, Hyundai Motors etc. had to cut production at their respective plants which affected fasteners industry also. This is still continuing and we hope that the current trend reverses on the back of good monsoon and onset of festival period.

The performance of exports of your company is satisfactory. Our basket of customers is well diversified in terms of geographical spreads and hence we do not foresee difficulties in long run, although the market currently is not as buyout as it was a year ago. The exchange rates are favorable for Exports, although.

We are hopeful of delivering a fairly good and satisfying performance to our shareholders.

QUALITY MANAGEMENT SYSTEM

The Company has been accredited with numerous certifications for adopting and implementing international quality systems in all its operations. Its streamline manufacturing process and ethical business practices have enabled it to earn international certifications like: ISO 9001:2008, ISO/TS 16949:2009 and ISO 14001:2004.

The Company envisages a vision of Zero Defect Policy. The Company has strengthened its efforts towards implementing 5S & six sigma to enhance the quality of work and products. Your Company is also having international certification under OHSAS: 18001:2007, which help us to implement safety policies.

INTEGRAL REPORTS

A "Corporate Governance Report" and a "Management Discussion and Analysis Report" form an integral part of this Directors' Report as per the requirement of clause 49 of listing Agreement and have been placed as its Annexure "A" and "B" respectively.

The Corporate Governance Report highlights the philosophy of Corporate Governance, discloses composition of Board of Directors, and Audit Committee, their details, functions, attendance and remuneration of directors etc. and general information for shareholders. It is supplemented by two compliance certificates:-

- (i) Certificate signed by the Managing Director affirming receipt of compliance with the code of conduct from all Board members during the year 2012-2013. **(placed at Annexure "A-2)** as per clause 49 (I) (D) (ii) of the Listing Agreement ; and

- (ii) Certificate of compliance of Corporate Governance provisions of clause 49 signed by the Auditor of the company as per clause 49 (VII) of the Listing Agreement. **(placed at Annexure "A-4)**

The Management Discussion and Analysis Report provides an overview of the affairs of the Company, its business environment, mission & objectives, outlook, operational performance, its resources & systems, strengths, opportunities, constraints, risks & concerns, strategies, prospects, etc.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ghanshyam Dass Soni and Mr. Jatinder Pal Singh Narang, the directors, are due to retire at the forthcoming Annual General Meeting, and being eligible, have offered themselves for re-appointment.

STATUTORY AUDITORS

I) Appointment

M/s GSK & Associates, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. M/s GSK & Associates have under Section 224(1) of the Companies Act, 1956, furnished the certificate of their eligibility for reappointment as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

II) Report

The Auditors' Report and Notes on Accounts for the financial year 2012-13 are self explanatory and therefore do not call for any further comments and explanations.

COST AUDITOR

Pursuant to Section 233B(2) of the Companies Act, 1956, The Board of Directors of the Company on the recommendation of the Audit Committee, reappoint Mr. Sanjay Kumar Garg, as cost auditor of the company for the financial year 2013-14.

INDUSTRIEL RELATIONS

During the year under review, harmonious industrial relations were maintained in your company.

SUBSIDIARIES

Your Company does not have any subsidiary Company.

STATUTORY DISCLOSURES

Your Directors have made necessary disclosures, as required under various provisions of the Act and clause 49 of the Listing Agreement.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm:-

- i) That in preparation of the annual accounts for the financial year ended 31st March, 2013 they have followed the applicable accounting standards along with proper explanation relating to material departures;
- ii) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the year under consideration;
- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

- iv) That they have prepared the annual accounts of the Company for the financial year ended 31st March, 2013 on a going concern basis.

PARTICULARS OF EMPLOYEES

None of the Employees of the Company is covered under sub section (2A) of Section 217 of the Companies Act, 1956.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Your Company's energy requirements continued to develop significantly as it commissioned new manufacturing facilities and as it increased production at existing facilities. However, the Company is making all efforts to put stress on energy conservation by taking measure to ensure that plant be kept continuous running and idle time is reduced to bare minimum.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Information pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy, technology absorption & foreign exchange earnings and outgo are given by way of Annexure to this Report.

HUMAN RESOURCES

MFL holds pride in its systems for providing a good quality of work-life to its employees. It encourages a culture of mutual respect and trust amongst peers, superiors and subordinates. We also maintain good harmonious industrial relations amongst the employees in our organization.

MFL shares the growing concern on issues related to Environment and Occupational Health & Safety (EHS) and is committed to protect in and around its own establishment and to provide Safe & Healthy Environment to all its employees for fulfilling these obligations.

A Health, Safety & Environment Policy has been formulated and implemented through Management System. In recognition of this MFL has been awarded ISO 14001:2004 & OHSAS 18001:2007

Our HR Deptt. shall ensure competent and committed team engaged in building a culture of learning to achieve excellence in performance and employee satisfaction by enhancing their skills through Training & Development Programs for innovation & continual improvement of the employees.

FIXED DEPOSIT

Your Company has not accepted / invited any deposit within the meaning of Section 58 – A of the Companies Act, 1956.

CASH FLOW ANALYSIS

In compliance with the provision of Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2013 is annexed hereto.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial positions of the Company that have occurred between the end of the financial year of the Company and the date of signing of this report.

SAFTY, HEALTH AND ENVIRONMENT MEASURES

Protection of environment is the prime concern of your company. Your Company complies with the relevant laws and regulations as well as take any additional measures considered necessary to prevent pollution, maximize

recycle, reduce waste, discharges and emissions. Company conserves natural resources by their responsible and efficient use in all the operations and plant trees.

CORPORATE GOVERNANCE

The Company is committed to build a long term shareholder value with full emphasis on corporate governance. In achieving this objective, the Company has always endeavored to operate as a responsible and law abiding, corporate entity. The corporate governance practices followed by your Company along with a certificate from the Auditors of the Company confirming the Compliance of Corporate Governance have been given separately & form part of this Annual Report.

ACKNOWLEDGEMENT

The Board of Directors' place on record their sincere appreciation for the dedicated efforts put in by all employees, their commitment and contribution toward the growth of the company.

Your directors would like to record their sincere appreciation for the support and co-operation that your Company received from all government authorities, financial institutions, distributors, suppliers and business associates whom your Company regards as partners in progress.

Your directors thank the shareholders for their confidence in the Company.

Regd. Office:

304, Gupta Arcade, Inder Enclave,
Delhi – Rohtak Road
New Delhi - 110 087

Place : New Delhi
Dated : 27.07.2013

By order of the Board

Sd/-
Ravinder Mohan Juneja
(Managing Director)

Sd/-
Deepak Arneja
(Managing Director)