

# **29<sup>th</sup>**

## **ANNUAL REPORT**

### **2011-2012**

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# **MFL INDIA LIMITED**



**BOARD OF DIRECTORS****Vineet Arora**

Director

**Anil Kumar Chaddha**

Director

**Palakuzhil Verghese Mohan**

Director

**Sudhir Kumar Sharma**

Director

**Devendra Manchanda**

Director

**Anil Thukral**

Additional Director

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

Manager

**Compliance Officer****Vivek Khosla**

Company Secretary

**Auditors****M/S SRY & Associates,**

Chartered Accountants

New Delhi

**BANKERS**

State Bank of India

Kotak Mahindra Bank Limited

**Share Transfer Agents**

Link Intime India Pvt. Ltd.

A-40 2<sup>nd</sup> Floor,

Naraina Industrial Area, Ph-II

New Delhi-110028

Tel-91-11-4140592-93-94

Fax-91-11-41410591

**For Dematerialisation of Shares**

ISIN: INE244CO 1012

**Registered Office**B-802, Munirka Apartments, Plot No. 11,  
Sector-9,

Dwarka, New Delhi – 110 075.

Email-mfldelhi1981@gmail.com

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**NOTICE**

Notice is hereby given that 29<sup>th</sup> Annual General Meeting of MFL India Limited will be held on Friday, 28<sup>th</sup> September, 2012 at 9.30 A.M at Community Hall, Kilokari, New Delhi –110 014 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, 2012 together with the Reports of auditors and directors thereon.

**Item No.2**

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

**Item No.3**

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

**Item No.4**

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

**Item No.5**

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. 6****Appointment of Mr. Anil Thukral as a Director**

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

**“RESOLVED THAT** Mr. Anil Thukral, who was appointed as an Additional Director of the Company w.e.f. April 05, 2012 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 liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary and incidental for giving effect to the foregoing resolution.”

**Item No. 7**

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

**“RESOLVED THAT** pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956 and other enabling provisions, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of moneys for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, bankers, financial institutions, or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether movable or immovable or stock-in process and debts, advances notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed shall not exceed Rs.250 Crores (Rupees Two hundred and fifty Crores only) at any point of time on account of the principal.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things as may be considered necessary or expedient to give effect to this Resolution.”

By the Order of the Board  
For MFL India Limited

Place: New Delhi  
Date: 1<sup>st</sup> September, 2012

Anil Kumar Chaddha  
Director  
DIN - 00009383

**Notes:**

- 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.**
- The Explanatory statement pursuant to Section 173(2) for item no. 6 and 7 are attached here with.
- Shareholders are requested to promptly notify any change in their addresses.
- The Register of Members and Share transfer books of the company shall remain closed from 27<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012 (both days inclusive).
- 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.
- 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.
- Members are requested to bring their copy of Annual Report to the Meeting.

**ADDITIONAL INFORMATION**

**Brief Profile of Directors who are retiring by rotation and are eligible for re-appointment:**

Name of Director	Mr.Palakuzhill Verghese Mohan	Mr. Devendra Manchanda	Mr. Sudhir Kumar Sharma
Age	56 Years	53 Years	42 Years
Nationality	Indian	Indian	Indian
Shares held in the Company	Nil	Nil	Nil
Qualification	Graduate in Commerce	B.COM , F.C.A	Graduate in Commerce, Pursuing LLB
Expertise in specific functional area	Cooperation, Accounting & Audit	Accountancy, Finance and Risk Management	Sales Tax Consultant
Directorships held in other Indian Companies	8	6	6
Chairmanships/Memberships of committees in other Indian Companies	NIL	NIL	NIL
Inter-se Relationship with other Directors	None	None	None

**EXPLANATORY STATEMENT**

[Pursuant to Section 173(2) of the Companies Act, 1956]

**ITEM NO. 6**

The Board of Directors of your Company had co-opted Mr. Anil Thukral, as Additional Director (Non-Executive and Professional) in the Board meeting of the Company held on 5<sup>th</sup> April, 2012.

As per Section 260 of the Companies Act, 1956 he 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 alongwith a requisite deposit, proposing his candidature for the office of director of the Company.

Mr. Anil Thukral, aged 42 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 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.

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.6 for the approval of the Members as Ordinary Resolution.

None of the director except Mr. Anil Thukral is interested or concerned in passing of the said resolution.

**ITEM NO. 7**

As the members are aware, your Company is exploring various opportunities for the all round growth of the Company through expansion and diversification by taking up various Projects in the Company in India. With a view to meet the capital expenditure and other funds requirements for the above purposes, the Company would be required to borrow funds from time to time by way of loans and/or issue of Bonds, Debentures or other securities. As per section 293(1) (d) of the Companies Act 1956, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Board beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

As mentioned above with every new expansion and/or diversification plan, the capital requirements of the Company are also growing up and the aforesaid limit is likely to be exhausted in near future, and hence the proposal for obtaining the consent of the members by way of Ordinary Resolution for increasing upto such limit is made.

Place : New Delhi  
Date : 1<sup>st</sup> September, 2012

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

**Anil Kumar Chaddha  
Director  
DIN - 00009383**

**DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting the 29<sup>th</sup> Annual Report of the Company together with Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS**

	(₹ In Lacs)	(₹ In Lacs)
Particulars	Current Year 2011-12	Previous Year 2010-11
Sales, other income & prior period income	7750.51	7584.92
Profit/(Loss) before Exceptional and Extraordinary Items and Tax	52.70	50.95
Exceptional Items	—	—
Extra Ordinary Items	—	—
Profit/(Loss) before Tax	52.70	50.95
Less: Current Tax	10.05	10.00
Earlier Year Tax	3.46	—
Add: Deferred Tax	(14.54)	(65.76)
Profit/(Loss) for the period from continuing operations	53.72	106.71
Profit/(Loss) for the period from discontinuing operations	—	—
Tax Expense of discontinuing operations	—	—
Profit/(Loss) for the Period	53.72	106.71

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

With the changing economic scenario, factors such as globalization of markets, international economic integration, removal of barriers to business and trade and increased competition have enhanced the need of transportation and Logistics. It is one of the most important infrastructure requirement which is essential for the expansion of opportunities and plays an important role in making or breaking the competitive positioning.

Transport volumes in India remain much less than those in the developed countries. India has still to go a long way in strengthening its transportation network. The countries transportation network suffers from several inadequacies and, in particular it has little resilience to deal with unforeseen demands.

Transportation, like all industries is largely influenced by information and communication technologies with the focus being on knowledge of customer needs and value added services. Surface transport is provided by the Road and the Indian Railways (primarily for carrying low value bulk commodity, mostly for the government sector). Cargo Road Transport is entirely in the hands of the private sector. An estimated 1.2 million trucks (9 tons capacity) crisscross the country covering more than 80,000 kilometers of roads. In India road transportation is preferred for cargo movement, where flexibility of routing assumes importance. It facilitates door-to-door delivery, overcoming unnecessary delays which normally take place in the other modes of transportation.

**INDUSTRY STRUCTURE & DEVELOPMENT**

Ever since the onset of economic reforms in early 1990s, India has experienced rapid economic growth along with increase in prosperity and income levels of citizens. However, this economic growth has also resulted in exponential growth of private vehicle ownership and use (similar to what US and Europe have experienced in early 1950s and late 1960s, respectively), which coupled with increase in population and other related factors, has resulted in transportation problems, namely accident, congestion, and pollution, at a severe level. All this and similar developments have brought home the urgency of recognizing that an efficient transportation system is necessary for increasing productivity and enabling the country to compete effectively in the world market. Adequacy and reliability of transport infrastructure and services are important factors that contribute towards the ability of the country to compete in the field of international trade and attract foreign direct investment.

Considering these aspects, Planning Commission of India in its 11th five-year plan clearly recognizes the necessity to foster the development of the various transport modes in an integrated manner that will lead to the realization of an efficient, sustainable, safe, and regionally balanced transportation system, where each mode of transport operates in its field of economy and usefulness, with competitive and non-discriminatory prices that are adequate to support progressive development of transport infrastructure and services. This would also enable the comparative advantages and economic efficiencies to be properly reflected in the user costs. Accordingly, the Planning Commission has earmarked 34% of the total investment in infrastructure, which is 9% of the GDP by 2011-12, exclusively for transportation infrastructure. Also, this investment is spread across all sectors of transport (road, rail, air, and water) as well as at all levels (urban, regional, inter-city, and rural) and for both passenger as well as freight movement.

However, all these efforts made by government puts an onus on transportation researchers, educators, managers, and policymakers across all transport sectors to orient their actions and works towards facilitating the achievement of desired outputs expected from the current and proposed investments by the government and to ultimately harbor the overall growth of the country. This is important to also achieve the vision of sustainable and integrated multi-modal transportation system for the country, as envisaged by Planning Commission. Currently, there is no appropriate platform in India for professionals across all modes of transport, to come together and interchange ideas and knowledge. Also, there is no regular avenue in India at present to collate and publish the research literature across all transportation sectors and modes for better inter-modal understanding. Government wishes to bridge this gap by providing such a platform/ avenue in India and become partner in the overall growth of the country.

### SEGMENT WISE PERFORMANCE

Our Company mainly deals in the business of Transportation and logistics but during the financial year the company has started the business of crusher which was subsequently shelved, on account of non-profitability. The consequent loss from the sale of plant and machinery of crusher business stands at Rs. 44, 43,074.00. The details of incomes and expenses from each segment is given separately in notes to accounts.

### OUTLOOK

Amidst the fiercely competitive market your company is determined to prosper through sustained and pragmatic development approach. Your Company since last few years taken initiatives to broaden its fleet base to minimize the risks and maximize the gains in buoyant markets. With the merger of the company we aim to reach new level never thought before. The prospect of business is shining with hope and our aim is to materialize that through our grit and dedication.

### RISKS AND CONCERNS

The board of management has reviewed the risk profile of the company and has come to a common understanding that the persistent major risks come from the uncertainty of the macroeconomic environment, ever changing legal component and execution of the mid and long term strategy.

The Company in its endeavor to minimize the risks associated with its type of business is employing competent team of professionals and is focused towards implementation of modern shore based management practices in order to increase the number of client willing to do business with us.

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

- Insurance
- Proper credit check of the client portfolio
- Supporting customers, growth and competitiveness
- Regular risk-assessment and mitigation procedures
- Adequate professional training to staffs
- Proper follow up of accounts
- Efforts to broaden client base through different initiation

### HUMAN RESOURCES

We at the company understand that the employees are the face of the company. How company fares majorly depends upon how the employees are able to exploit their potential. We at MFL treat employees as our partner for the common endeavor of growth and prosperity. We regularly organize bonding programmes of and between the employees and the management. We conduct performance enhancing interactions through which we hope to achieve the common goal of safety, success and sustainability to all the stakeholders.



## ADEQUACY OF INTERNAL CONTROLS

The Company has adequate and effective internal control systems commensurate with the size of its operations and has complied with the various statutes of the Government and statutory authorities. Internal Audit has been entrusted to an external auditor and periodical review is being carried out. The Audit Committee meets regularly to review the adequacy of internal controls.

## IMPORTANT DEVELOPMENTS

### SHARE CAPITAL

During the year under review, the Authorized share capital of the company increased from ₹ 16,00,00,000 divided into 1,60,00,000 equity shares of ₹ 10 each to ₹ 37,00,00,000 divided into 3,70,00,000 equity shares of ₹ 10 each and issued and paid up equity share capital of the company increased from ₹ 149,14,00,000 divided into 1,49,14,000 equity shares of ₹ 10 each to ₹ 36,02,92,000 divided into 3,60,29,200 equity shares of ₹ 10 each.

As part of the realignment exercise, the Company has completed Scheme of Amalgamation with M/s Dynamic Movers Private Limited.

Your Directors are pleased to inform that pursuant to the order dated 2<sup>nd</sup> November, 2011, passed by the Hon'ble High Court of Delhi, and in accordance with the Scheme of Amalgamation with M/s. Dynamic Movers Private Limited 2,11,15,200 Equity Shares of the Company be allotted to the shareholders of M/s. Dynamic Movers Private Limited, details as given below:

SNo.	Name of the Allottee(s)	Address	Equity Shares Allotted	Distinctive Nos From - To
1.	Mr. Anil Thukral	G-504, Vill:Fazilpur,Jharsa, Gurgaon,Haryana	2,00,38,240	14914001 to 34952240
2.	Mrs. Sheetal Thukral	G-504, Vill:Fazilpur,Jharsa, Gurgaon,Haryana	10,43,040	34952241 to 35995280
3.	Mr. C.P.Thukral	343, Sector-37, Noida, Distt.- Gautam Budh Nagar,UP	33,920	35995281 to 36029200

## LISTING OF EQUITY SHARES

The Equity shares of the company continue to be listed on Bombay Stock Exchange Limited (BSE). The requisite annual listing fees have been paid to this exchange.

## SHARES UNDER COMPULSORY DEMATERIALIZATION

The Equity shares of your company are included in the list of specified scripts where delivery of shares in dematerialized (demat) form is compulsory, if the same are traded on a stock exchange, which is linked to a depository. 3,42, 20,671 (94.98 in %) Equity shares of the company were held in demat form as on March 31<sup>st</sup>, 2012.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 Mr. Devendra Manchanda, Mr. Palakuzhill Vergese Mohan and Mr. Sudhir Kumar Sharma, Directors 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, 2012, 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**

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, be here by appointed as statutory auditors of the Company. 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: 1<sup>st</sup> September, 2012

**(Anil Kumar Chaddha)**  
Director  
DIN – 00009383

**(Vineet Arora)**  
Director  
DIN-01518473