

**38<sup>th</sup>**  
**ANNUAL REPORT**  
**2020-2021**

**MFL INDIA LIMITED**



MFL India Limited

(CIN: L63040DL1981PLC012730)

Regd. Office: 94/4, UG-F, UG-9, Village Patparganj, Delhi 110091

**CORPORATE INFORMATION**

**CIN: L63040DL1981PLC012730**

**BOARD OF DIRECTORS**

Mr. Anil Thukral	DIN: 01168540 (Managing Director)
Mr. Syed Zameer Ulla	DIN: 07486691 (Professional Director)
Ms. Pratiksha Anant Patil	DIN: 07887358 (Independent Director)
Mr. Nawab Khan	DIN: 08065674 (Independent Director)

**Chief Financial Officer**

Mr. Khemraj

**Auditors**

**M/s V.K. Sehgal & Associates**

Chartered Accountants  
New Delhi

**Internal Auditors**

M/s APJ & Co.  
Chartered Accountants  
Gurgaon

**Secretarial Auditor**

M/s Manoj Purvey & Associates  
Company Secretaries  
New Delhi

**Bankers**

State Bank of India

**Share Transfer Agents**

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Link Intime India Pvt. Ltd.  
A-44, Community Centre, 2<sup>nd</sup>Floor,

Naraina Industrial Area, Phase-I

New Delhi-1100028  
Tel-91-11-4140592-93-94  
Fax-91-11-41410591

**For Dematerialisation of Shares**

ISIN NO. INE244CO1012

**Registered Office**

94/4, UG-F, UG-9,  
Village- Patparganj, Delhi-110091  
Email-mfldelhi81@gmail.com  
Website- www.mflindia.co.in



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### NOTICE

Notice is hereby given that 38<sup>th</sup> Annual General Meeting of the members of **MFL India Limited** will be held on Thursday, 30<sup>th</sup> September, 2021 at 09:00 A.M. at G-1, Ground Floor, Well King Towers, 94/4, Main Market, Patparganj, Mayur Vihar, Phase-I, Delhi-110091 to transact the following businesses.

#### Ordinary Business:

##### Item No.1

To receive, and adoption of Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 including Balance Sheet, Statement of Profit & Loss, Cash Flow Statement and the Reports of Auditors and Directors thereon.

##### Item No. 2

To appoint a Director in place of Mr. Nawab Khan (DIN: 08065674) who retires by rotation and, being eligible, offers himself for re-appointment.

#### Special Business:

##### Reduction of Share Capital of the Company:

3. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 52, Sections 66, and other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made thereunder (“the Rules”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Article 61 of the Articles of Association of the Company and subject to confirmation by the Hon'ble National Company Law Tribunal, New Delhi Bench (“NCLT”), approvals as may be required from the appropriate authorities and the consent of the creditors as may be required, the approval of the members be and is hereby accorded to the Scheme of reduction of capital (“the Scheme”) of the Company by way of reduction of paid- up share capital of the Company from Rs. 36,02,92,000/- (divided into 36,02,92,000 equity shares of Re. 1/- each) to Rs. 3,60,29,200/- (divided into 3,60,29,200 Equity shares of Re. 1/- each) by cancellation of 32,42,62,800 equity shares of Re. 1/- each, consequently total issued, subscribed and paid up share capital of the company shall be reduced to Rs. 3,60,29,200 and such cumulative reduction would be effected by writing off the Accumulated Losses of Rs 32,42,62,800/- on the Effective Date of the draft Scheme of Reduction of capital (“Scheme”).”



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“RESOLVED FURTHER THAT the Scheme providing reduction of share capital of the Company as submitted to the BSE Limited, designated stock exchange for observations and / or Securities and Exchange Board of India, be and is hereby approved.”

“RESOLVED FURTHER THAT effective from the date of the confirmation of the Scheme by NCLT, New Delhi and all other approvals from any other appropriate authorities as may be required, the consent and approval of the members be and is hereby accorded to the reduction of the paid- up share capital as it stands on the date of such confirmation is Rs. 36,02,92,000/- (divided into 36,02,92,000 equity shares of Re. 1/- each) to Rs. 3,60,29,200/- (divided into 3,60,29,200 Equity shares of Re. 1/- each) by cancellation of 32,42,62,800 equity shares of Re. 1/- each.

“RESOLVED FURTHER THAT subject to confirmation of the Scheme by NCLT, New Delhi Bench, and all other approvals from any other appropriate authorities, the Company be and is hereby not required to add the words “And Reduced” to its name subsequent to such reduction of capital of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (“the Board”), the Chief Financial Officer and the Company Secretary be and is hereby authorized to take all necessary steps and do all such acts, deeds, matters and things, as they may, in including issuing any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the reduction of capital, or to any modification thereof without being required to seek any further consent or approval of the members or otherwise.”

“RESOLVED FURTHER THAT Mr. Anil Thukral, Managing Director and Mr. Khemraj, Chief Financial Officer or Ms. Kanika Gangal, Company Secretary & Compliance Officer be and are hereby authorized severally to take all necessary steps for effecting the said Scheme of reduction of capital of the Company, including but not limited to:

- a. Finalizing, amending and settling the draft scheme, application / petition, and assent to such alterations, conditions and modifications, if any, or effect any other modification or amendment as the Board of Directors of the Company may consider necessary or desirable to give effect to the proposed reduction of share capital;
- b. Filing any affidavit, petition, pleading, application, form or reports before NCLT or any other statutory or regulatory authority including the concerned stock exchanges, SEBI, the Registrar of Companies, the Regional Director or such other authority as may be required in connection with the proposed reduction of capital or its sanction thereof and to do all such acts and deeds as they may deem necessary in connection therewith and incidental thereto;
- c. Making such alterations and changes in the scheme, application to be made to NCLT, as the conditions / requirement imposed by NCLT, SEBI and/or any other statutory /regulatory authorities, as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said application.

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- d. Signing all applications, petitions, affidavits, undertakings, documents, letters relating to the proposed reduction of capital and represent the Company before the NCLT and any other authorities in relation to any matter relating to the proposed reduction of capital or delegate such authority to any other person through a valid power of attorney;
- e. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all manner of documents, petitions, affidavits and applications under the applicable laws including Companies Act, 2013, and Rules made thereunder and other applicable laws/regulations in relation to the aforesaid matter and to represent the Company in all correspondences, matters and proceedings and any nature whatsoever in relation to the above;
- f. To authenticate any document, instrument, proceeding and record of the Company
- g. Obtaining the requisite approval and/or consents of the shareholders, secured lenders of the Company, bank, financial institutions and other regulatory authorities or entities or agencies as may be required and for that purpose, to initiate all necessary actions and to take other consequential steps as may be required from time to time in that behalf.
- h. To engage any counsel, consultant firms, advocates, attorneys, pleaders, solicitors, valuers, auditors, accountants, registrars or any other one or more agencies, as may be required in relation to or in connection with the proposed reduction of share capital, on such terms and conditions as they may deem fit, finalize fees, terms and conditions of their appointment letter(s), furnish such information as may be required by them and also to sign, execute and deliver all documents, letters, advertisements, announcements, disclosures, affidavits, undertakings and other related documents in favour of the concerned authorities, advocates or any one or more persons or firms as they may deem fit and to do all such acts, deeds and things as they may deem fit and as may be necessary in this regard.
- i. Incur such other expenses as may be necessary with regard to the above transaction, including payment of fees to solicitors, merchant bankers, advisors, valuers, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them.
- j. Make any modifications as they may consider necessary in relation to the procedure and modalities of effecting the transactions contemplated in this resolution.
- k. Consider, approve, sign and execute all other documents, advertisements, announcements, disclosures, etc. which may be sent / required to be sent to concerned authorities on behalf of the Company
- l. To file requisite forms with the Registrar of Companies in connection with the proposed reduction of share capital during and after the process of sanction thereof



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m. Sign, execute and deliver such documents as may be necessary and do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect for the purpose of the above resolutions or to otherwise give effect to the transactions contemplated as aforesaid

n. To do all such acts and things and deal with all such matters and take all steps as may be necessary including any modification, if required, and do all such other acts, matters deeds and things necessary, proper or desirable in connection with or incidental to giving effect to the purposes of this Resolution.

o. To give such directions as they may think fit and proper, including directions for settling any questions or difficulties that may arise and to do all acts, deeds and tasks, as may be deemed necessary, expedient or proper to give effect to the proposed reduction of capital and for matters connected there with or incidental thereto.

“RESOLVED FURTHER THAT the Board be and is hereby authorized, in its absolute discretion, to bring into effect this resolution on such other terms and conditions as it may consider appropriate and to accept such other conditions and modifications as may be prescribed by the NCLT and other appropriate authorities while according their confirmation or consent to this resolution or to suspend, withdraw or revive the proposal for reduction of capital from time to time as may be specified by any statutory authority or as the Board may suo-moto decide.”

By order of Board of Directors  
For MFL India Limited

Date: 04.09.2021

Place: Delhi

Mr. Anil Thukral  
Managing 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. Shareholders are requested to promptly notify any change in their addresses.

3. The Register of Members and Share transfer books of the company shall remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive).

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4. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

5. Member(s) can opt for only one mode of voting either physical voting at the annual general meeting, or voting through E- Voting/ Ballot. A member, who has voted through E-Voting mechanism, is not debarred from participating in the general meeting physical. However, he shall not be allowed to vote in the meeting again and his earlier vote (cast through e-means) shall be treated as final.

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. Electronic copy of the Annual Report for the financial year 2020-21 is being sent to the shareholders whose email address are registered with the company or depository participants for communication with the company.

The shareholders whose email is not registered with the company, the Annual Report is sent to them in permitted mode.

8. Members are requested to bring their copy of Annual Report to the Meeting.

9. Voting through electronic means;

(a) In compliance with provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Service provided by Central Securities Depository Limited (CSDL).

(b) The instructions for e-voting are as under:

The instructions for members for voting electronically are as under:

In case of member's reliving- mail:

(I) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period

(i) Click on "Shareholders" tab.

(ii) Now, select the "COMPANY NAME" from the dropdown menu and click on "SUBMIT"

(iii) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should



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enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

(iv) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(v) Now, fill up the following detail in the appropriate boxes:

For Members holding shares in Demat Form enter your 10 digit alpha-numeric \*PAN said demat account or folio in dd/mm/yyyy format. The Dividend Bank Data as recorded in your demat account or in the company DOB Bank records for the said demat account or folio both demat shareholders as well as physical shareholders. Enter the Date of Birth as recorded in your demat account or in the company records for the Members who have not updated their PAN with the Company Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN Field. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RAOOOOOOOO1 in the PAN Field. Sequence no. will be provided as S1 No in your address Label. # please enters any one of the details in order to low. In case both the details are not recorded with the depository or company Please enter the member id /folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT tab.

(vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members

(viii) Holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their low password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are legible to vote, provided that company opts for e'-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on <Company Name> on which you choose to vote.

(x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution. Click on the "Resolutions File Link if you wish to view the entire Resolutions.

(xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly mode your vote.

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(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xiii) Institutional shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on <https://www.evotingindia.co.in> and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to vary the same.

(xiv) In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) To 91. No. (xvii) Above to cast vote.

(B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [Helpdesk.evoting@cdslindia.com](mailto:Helpdesk.evoting@cdslindia.com).

(xv) The e-Voting Period commences on 27th September 2021 (9:00 AM) and ends on 29th September, 2021 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled CDSL for voting thereafter. Once the decision on a Resolution is cast by the shareholder, the shareholder not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Mr. Amit Agrawal, Practicing Company Secretary (Membership No.5311) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the Votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the Votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared in the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be Placed on the company' in and the website of CDSL within two (2) days of passing of the resolutions at The AGM of the Company and communicated to the BSE Limited.

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10. Explanatory statement of item no. 3 pursuant to section 102 of the Companies Act, 2013 is annexed to the notice.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 3: Reduction of Share Capital of the Company.**

The proposed reduction of capital is pursuant to Section 66, Section 52 and other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder ("the Rules") (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and pursuant to Article 3(2)(c) of the Articles of Association of the Company and subject to confirmation by the Hon'ble National Company Law Tribunal, New Delhi bench ("NCLT").

### **1. BACKGROUND**

The issued, subscribed and paid-up capital of the Company is Rs. 36,02,92,000/- comprising of 36,02,92,000 equity shares of Re. 1/- each and the securities premium is Rs. Nil, based on the unaudited standalone financial statements for the period ended August 28, 2021. Further, these financial statements reflect accumulated losses (i.e., debit balance of profit and loss account) of Rs. 37,37,15,381/- for the period ended August 28, 2021. Such accumulated losses have substantially wiped off the value represented by the share capital.

Considering the future prospects of growth and value addition to the Company and its shareholders, it is proposed to re-align the relationship between its capital and assets in accordance with Section 52 and Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable), by writing-off the accumulated losses of Rs. 32,42,62,800/- reflecting in the unaudited financial statements of the Company as on August 28, 2021 against the paid-up share capital Account balance of the Company, to have a rational structure which is commensurate with its remaining business and assets.

It is proposed to reduce the paid up capital of the company from Rs. 36,02,92,000/- (divided into 36,02,92,000 equity shares of Re. 1/- each) to Rs. 3,60,29,200/- (divided into 3,60,29,200 Equity shares of Re. 1/- each) by cancellation of 32,42,62,800 equity shares of Re. 1/- each, consequently total issued, subscribed and paid up share capital of the company shall be reduced to Rs. 3,60,29,200/-.

### **2. EFFECT OF THE SCHEME**

The proposed reduction of capital by reducing the paid- up equity share of the Company against Accumulated losses, pursuant to the Scheme, shall be reflected in the books of Accounts of the Company, on the Effective date.



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The capital structure of the Company pre- and post scheme is reflected in the table below (As on 28.08.2021):\

Pre-reduction			Post-reduction		
Particulars	No of shares	Amount (Rs.)	Particulars	No of shares	Amount (Rs.)
<b>Authorised Share Capital</b>					
Equity shares of face value Re 1/- each	37,00,00,000	37,00,00,000	Equity shares of face value Re 1/- each	3,60,29,200	3,60,29,200
Preference shares	nil	nil	Preference shares	nil	nil
<b>Issued, subscribed and paid up Share Capital</b>					
Equity shares of face value Re 1/- each	36,02,92,000	36,02,92,000	Equity shares of face value Re 1/- each	3,60,29,200	3,60,29,200

The below table reflects the pre- and post reduction of Securities Premium Account of the Company against its Accumulated Losses (As on 28.08.2021):

Particulars	Pre-reduction (Rs.)	Proposed reduction (Rs.)	Post-reduction (Rs.)
Securities Premium Account	Nil	Nil	Nil
Profit and Loss (Dr) i.e. Accumulated Losses	37,37,15,381	32,42,62,800	4,94,52,581

### 3. BENEFITS ARISING OUT OF THE SCHEME

a. The Scheme, if approved, the books of the Company would better represent its financial position which would help the Company position itself better in the market, and undertake business activities efficiently. This would be value accretive to the Shareholders as well, as their holdings would yield better results.

b. The proposed restructuring under the Scheme, if approved, would enable the Company to explore opportunities for the benefit of its Shareholders, including in the form of dividend payments, in terms of the applicable law.

c. The Scheme, if approved, may enable the Company to avail business opportunities that it was unable to take advantage of, because of it experiencing Accumulated Losses.

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d. The reduction of capital in the manner proposed would enable the Company to have a rational structure which is commensurate with its remaining business and assets.

e. The Scheme of reduction, after full implementation, will result in making the Company's balance sheet leaner and downsized.

f. The proposed Scheme would be for the overall benefit of the Company, its creditors, Shareholders and all other stakeholders

g. The proposed Scheme will enable the Company to use a part of the amount which is lying unutilized in the Securities Premium Account of the Company in an effective manner for the benefit of the Company.

h. The Scheme, if approved, would provide greater flexibility to the Company in raising funds either from the capital market or from any Bank/ Financial Institutions in the form of equity or debt, depending upon the business needs of the Company.

## 5. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

The pre and post reduction of capital structure and shareholding g pattern is as follows:

Pre-reduction			Post-reduction		
Particulars	No of shares	Amount (Rs.)	Particulars	No of shares	Amount (Rs.)
<b>Authorised Share Capital</b>					
Equity shares of face value Re. 1/- each	37,00,00,000	37,00,00,000	Equity shares of face value Re 1/- each	37,00,00,000	37,00,00,000
Preference shares	nil	nil	Preference shares	Nil	nil
<b>Issued, subscribed and paid up Share Capital</b>					
Equity shares of face value Rs 1each	36,02,92,000	36,02,92,000	Equity shares of face value Rs 10 each	3,60,29,200	3,60,29,200

Shareholding pattern- Pre and post reduction of capital:

Shareholding pattern	Pre Reduction (as on August 28, 2021)		Post Reduction	
	No. of Shares of face value of Re. 1/- each	% of holding	No. of Shares of face value of Re. 1/- each	% of holding

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Promoter & Promoter group	15,12,602	0.4198	1,51,260	0.4198
Public	35,87,79,398	99.5802	3,58,77,940	99.5802
<b>Total</b>	<b>36,02,92,000</b>	<b>100</b>	<b>3,60,29,200</b>	<b>100</b>

There will be no change in the shareholding pattern of the Company pursuant to the proposed Scheme.

### 5. Reasons for reduction of share capital

- a. The Company was engaged in the business of hire, own, acquire & maintain motor vehicles, airplanes, reefer trucks, reefer trailers, reefer vehicles, reefer containers, generators & other allied equipments, ships, barges, towage tugs, offshore support vessels, hovercrafts railways, containers, cranes, forklifts, reach stackers, loaders, mining machinery & equipment, multi modal transportation systems, excavators, transit mixers, graders, tippers, tip- trailers, container trucks, car & two wheeler carriers, trailers, trucks, other material handling equipment, allied equipment, loading & unloading equipment, HEMM & to establish container freight stations, inland container depots, railway lines / tracks, goods sheds, stockyards, aerodromes & airports, workshops, garages, warehouses, sheds, distribution centers, cold storages, cold rooms as the demand may be which it may let out, hire, rent, charter, & lease etc for generation of revenue & carrying on of its logistics business.
- b. The company is running the fleet of Trucks on wholesale freight basis, due to the decline in the demand the company has suffered the losses and consequent upon such losses the company has failed to pay the EMI of the lenders, resultantly the company account has been declared as NPA and the lender has recalled their facilities and they have taken symbolic possession of the assets of the company mortgaged with them and have communicated their stand to the debtors of the company. The business of the company has been discontinued/ disrupted because of the above said affects. After the said repossession of the assets, The Company has generated cash losses and the net worth of the company has been fully eroded, and current liabilities are substantially higher than current assets.
- c. The directors of the company has chalk out the plan for the revival of the business of the company and for the purpose they are in negotiation with the number of strategic investors to make the investments in the company. However, utmost all the investors have made the conditions that the company should write off its losses by reduction of its share capital so that the assets of the company should be properly represented in the company's financial statement. After the reduction of the capital, the company is planning to raise the capital of the company so that the business of the company can be bring back on the path of success and value of the stake holders of the company can be enhanced on optimum level.
- d. The reduction of share capital would cause the balance sheet to bring in true and fair representation of the Company by the available assets of the Company and reflect the real financial position of the Company.



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- e. The reduction of capital does not involve any cash out flow as the shares are getting extinguished against the debit balance of profit and loss account.
- f. The reduction of share capital would place the company in a position to pay dividend in future or raise further capital in future.

## 6. OTHERS

Notwithstanding the reduction as mentioned above, the Company will be praying before the NCLT that the Company be exempted to add "And Reduced" as a suffix to its name and the Company shall continue in its existing name considering that no payout is being made to any existing members and the Company will be able to discharge its liability in the due course of business.

The Special Resolution, if approved by the members of the Company with requisite majority, will be subject to the confirmation by National Company Law Tribunal as per Section 66(3) of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of company) Rules, 2016.

In relation to above, the Audit committee and the Board of Directors of the Company approved the draft Scheme at its respective meetings held on September 04, 2021. The Company had filed necessary applications before BSE for seeking their no-objection to the Scheme.

A copy of the Scheme along with the related documents, setting out in detail the terms and conditions of the proposed Scheme which has been duly approved by the Audit Committee and the Board of Directors of the Company at its meetings held on September 04, 2021, along with the documents submitted to the BSE, have been uploaded on the website of the Company at [https:// www.mflindia.co.in](https://www.mflindia.co.in).

The status of the complaints received by the company as below:

Sl. No	Particular	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchanges /SEBI (till the date)	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	Nil
5	Number of complaints pending	Nil

Further the "Fairness Opinion" obtained from **Intellicity Capital Advisers Private Limited**, Merchant Bankers, certifies that the Scheme of reduction of capital is fair and reasonable, which is enclosed as Annexure 2. The fairness opinion and the valuation report on shares has been uploaded on the website of the Company at [https:// www.mflindia.co.in](https://www.mflindia.co.in).

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## 6. GENERAL INFORMATION AND DISCLOSURES

i. Article 61 of the Articles of Association of the Company provides for the reduction of capital of the Company in any manner authorized by the applicable law.

ii. The Reduction of Capital will not cause any prejudice to the creditors of the Company. The creditors of the Company are in no way affected by the proposed Reduction of capital, as there is no payout to the members of neither the Company nor a reduction in the amount payable to any of the creditors. Further, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.

iii. No inquiry or investigation is pending against the Company under any provisions of Companies Act, 2013.

All documents referred to in the accompanying Special Resolution and Statement **Annexed** thereto are made available on the Company's website at [https:// www.mflindia.co.in](https://www.mflindia.co.in) and would also be available for inspection to the members at the Registered Office of the Company on all working days during the office hours (09:00 AM – 05:00 PM) till the last date for receipt of the forms from the members, subject to lockdown guidelines.

The Board recommends the Special Resolution for members' approval.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way deemed to be interested or concerned in this Resolution.



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## DIRECTORS' REPORT

To  
**The Members,**

Your Directors have pleasure in presenting the 38<sup>th</sup> Annual Report of the Company together with Audited Accounts and the Auditor's Report of your Company for the financial year ended on 31<sup>st</sup> March, 2021.

MFL India Limited is a leading logistics company having operations PAN- India. Your company offers various services to clients such as transportation & trucking and successfully operates in the country.

MFL India Limited is firmly built on belief of offering unmatched quality services, driven by strong expertise and experience in providing customized and personalized services.

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner and reasonably present our state of affairs, profits and cash flows for the year.

The summarized financial performance for the year ended 31<sup>st</sup> March, 2021 is as follows:

### Financial Results

(Rs. In Lakhs)

Particulars	2020-21	2019-20
Sales, other income & prior period income	917.52	119.44
Expense	621.94	136.64
Profit/(Loss) before exceptional and extraordinary items	295.58	(17.20)
Exceptional items	-	-
Extraordinary items	-	-

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Profit/(Loss) before taxation	295.58	(17.20)
Less: Current Tax	0	0
Earlier Year Tax	0	0
Add: Deferred Tax	0	0
Profit/(Loss) for the period from continuing operations	295.58	(17.20)
Profit/(Loss) for the period from discontinuing operations	-	-
Tax expenses of discontinuing operations.	-	-
Profit/(Loss) for the period	295.58	(17.20)

### Financial Performance

For the financial year ended March 31, 2021, your Company earned Profit/Loss before Tax of Rs. 295.58 Lakhs as against loss of Rs.-17.20 Lakhs in the previous financial year. The total income for the year under consideration is Rs. 917.52 Lakhs and total expenditure is Rs. 621.94 Lakhs.

### Number of Board Meeting

Nine Board Meetings were held during the year, as against the minimum requirement of four meetings.

The details of Board Meetings are given below:

Date	Board Strength	No of Directors Present
31.07.2019	4	4
05.09.2020	4	4
13.11.2020	4	4
08.02.201	4	4
13/02/2020	4	4



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**Dividend**

Due to suffered loss, your Company is not declaring any dividend.

**Segment wise performance**

The Company operates in only one segment i.e. Transportation/Trucking, and therefore, has no separate reportable segments.

**Outlook**

**MFL India Limited** is a premier transport and Logistics Company with Pan-India coverage. Company is on track to achieve its expansion objectives. There is a tremendous demand for Logistics in India. Hence MFL India Limited immediate focus will be to bridge this gap by ramping up capacities across the country.

Your Company has since last few years taken initiatives to broaden its fleet base to minimize the risks and maximize the gains. In its effort in this regard, the Company has been adding more fleet for domestic operations. With expansion of fleet the Company would be in a better position to maximize its gains from the markets.

**Internal Financial Controls**

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the same and the work performed by the internal auditors, statutory auditors and external agencies and the reviews performed by Top Management team and the Audit Committee, your Directors are of the opinion that your Company's Internal Financial Controls were not adequate and not effective during the financial year 2020-21.

Further the statutory auditors of your company has also issued a report on internal control over financial reporting (as defined in section 143 of Companies Act 2013) for the financial year ended March 31, 2021, which forms part to the Statutory Auditors Report.

**Corporate Social Responsibility**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

**Risks and Concerns**

The Board of Directors has put in place a Risk Management policy for the Company, which includes industry risks, quality risks, project risks and financial/ interest rate / liquidity risks and the structure, infrastructure, processes, awareness and risk assessment / minimization procedures. The elements of the risk, which in severe form can threaten Company's existence, have been identified by the Board of Directors to mitigate the same.



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## Deposits

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

## Particulars of Contracts or Arrangements with Related Parties

None of the transactions with the related parties falls under the scope of section 188 (1) of the Act. All contracts/ arrangements/ transaction entered by the Company during the financial year with related parties in the ordinary course of business and on arm's length price basis. During the year the Company has not entered into any contracts/ arrangements/ transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

## Meeting of independent director

During the year under review, an annual Independent Directors meeting was convened on September 05, 2020 and February 08, 2021, to review the performance of the Non-Independent/ Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole. The Non- Independent Directors did not take part in the meeting. In accordance with the Listing Regulations, following matters were, inter alia, discussed in the meeting:

- Performance of Non-Independent Directors and Board as a whole,
- Performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors,
- Assessment of the quality, quantity and timeliness of flow of information between the Company,
- Management and the Board that is necessary for the Board to effectively and reasonably Perform their duties,

## Declaration by the Independent Directors

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, all the Independent Directors of your Company have given declaration that they have met the criteria of independence as required under the Act and the regulations.

## Familiarization Programme for Independent Directors

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

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## Share Capital

During the year, there is no change in the Equity Share Capital of the Company in the Financial Year 2020-21.

## Evaluation of Directors, Board and Committee

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI under Clause 49 of the Equity Listing Agreement, the Board of Directors (“Board”) has carried out an annual evaluation of its own performance, and that of its Committees and individual Directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual Directors. A separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. This was followed by a Board meeting that discussed the performance of the Board, its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition the Chairperson was also evaluated on the key aspects of his role.

## Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Nawab Khan, Director, who retires by rotation and being eligible, has offered himself for re-appointment. In compliance with Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, brief resume of all the Directors proposed to be appointed / re-appointed are attached along with the Notice of the ensuing Annual General Meeting. Apart from the above, there have been no changes in Directors and KMP.

## Board Committees

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Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

### Remuneration Committees

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Clause 49 of the Listing Agreement.

### Increase in Managerial Remuneration

During the financial year 2020-21, there was no hike in remuneration of managing Director and whole time director which is provided below: **Nil**

Name Of Director	Designation	Remuneration

### Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prohibition of insider trading, as approved by the Company. The Company has also adopted the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of the Company at the time when there is unpublished price sensitive information.

### Insurance and Risk Management

The Company has constituted a Risk Management Committee (RMC) which has been entrusted with responsibility to assist the Board in

- a) Overseeing the Company's risk management process and controls, risk tolerance and capital liquidity and funding.
- (b) Setting strategic plans and objectives for risk management and review of risk assessment of the Company
- (c) Review the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

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The Committee has also approved and adopted Risk Committee Charter. The Company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act, 2013 (hereinafter referred to as the Act) and Clause 49 of the Listing Agreement. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Board takes responsibility for the overall process of risk management in the organization. Through Enterprise Risk Management programme, Business Units and Corporate functions address opportunities and the attendant risks through an institutionalized approach aligned to the Company's objectives. This is facilitated by internal audit. The business risk is managed through.

Cross functional involvement and communication across businesses. The results of the risk assessment and residual risks are presented to the senior management. Prior to constituting the RMC, the Audit Committee was reviewing business risk areas covering operational, financial, strategic and regulatory risks.

**Employees Stock Option Scheme**

During the year under review, the Company has not issued any ESOPs.

**Statutory Auditors**

M/s V.K. Sehgal & Associates, Chartered Accountants, (FRN: 011519N), 201- Harsha Bhawan, 64-65, Nehru Place, New Delhi-110019 were appointed as Statutory Auditors of the Company for a period of 5 years and to hold office from the conclusion of 35<sup>th</sup> Annual General Meeting of the company up to the 40<sup>th</sup> AGM which will be held in calendar year 2023 and in this regard the board of directors and audit committee of the Company be and are hereby authorized to fix their remuneration plus travelling and other out of pocket expenses incurred by them in connection with statutory audit or continuous audit and also such other remuneration, as may be decided to be paid by the Board of Directors and Audit Committee of the Company, for performing duties other than those referred to herein above.

**Independent Auditor's Report**

The Auditors in their report have referred to the notes forming parts of Accounts. The said notes are self-explanatory but need to require some clarification about the Company's ability to continue on going concern basis, as per Auditor's Report.

The auditor had made the qualification in their report and cast the doubt on the company's ability to continue as a going concern. In this regard it is to hereby submit that the director's of the company is striving for the continuous of the business operation of the company and in discussion with various strategical investors to infuse the fund in to the business of the company and the director's are positive, the company will bring into the business in next couple of months.





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**Internal Auditors**

M/s APJ & Company, Chartered Accountants, has been appointed in your company for the purpose of Internal Audit for the Financial Year 2020-21. Your board of directors has re-appointed M/s APJ & Company, Chartered Accountants as internal auditor for the Financial Year 2021-22.

**Secretarial Audit and the Appointment of Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Manoj Purvey & Associates, a practicing Company Secretary to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith.

**Cost Audit**

The cost audit is not applicable on our company.

**Buy Back of Shares**

The Company has not made any offer to Buy Back of its shares, during the year under review.

**Particulars of Employees**

No employee of the Company is covered under section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended to date.

**Conservation Of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo**

Information's furnished in Annexure "1" and forms part of this report.

**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, Company Secretary in Practice, regarding the Compliance of Clause 49 of the Listing Agreement is enclosed herewith and form part of Directors' Report.

**Web Link of Annual Return, If Any**

The Extract of the annual return in the form of MGT-9 is available on the Company web site i.e. [www.mflindia.co.in](http://www.mflindia.co.in).

**Corporate Governance**

Pursuant to Schedule V of the SEBI Regulation the following Reports/Certificates form part of the Annual Report.

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- The Report on Corporate Governance;
- The Certificate duly signed by Chief Financial Officer on the Financial Statements of the Company for the year ended March 31, 2021 as submitted to the Board of Directors at their meeting held on September 4, 2021;
- The declaration by the Managing Director regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct.

### **Vigil Mechanism**

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee

### **Compliance with Provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

### **Directors' Responsibility Statement**

In accordance with the provisions of section 134(5) the Board confirms and submits the Director's Responsibility Statement:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company

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at the end of the financial year and of the profit and loss of the company for that period;

- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company.
- d. The directors had prepared the annual accounts on a going concern basis.
- e. The directors, as the company is listed, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. “Internal financial controls” means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of the frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.
- g. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 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: 04.09.2021**

Sd/-  
**(Anil Thukral)  
Managing Director  
DIN –01168540**

Sd/-  
**(Syed Zameer Ulla)  
Director  
DIN-07486691**



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## **Management Discussion & Analysis and Review of Operations and Future Law**

### **Overview**

MFL India Limited is a premier transport and logistics company with Pan-India coverage; having a self-owned fleet of mixed variety high-volume / heavy-weight cargo carriers; along-with a diversified portfolio of transportation services that includes dedicated high-capacity trucks, trailers.

MFL's logistics' portfolio includes freight management, cargo brokerage, inter-modal are provided through MFL's domestic networked companies and include ocean, air and ground transportation.

The main commodities transported are retail store merchandise, 2- wheeler motorcycles / scooters, consumer products, FMCGs, other manufactured products and grocery products

### **Industry Structure**

Logistics industry in India has huge demand especially with the growth of the Indian economy along with the influx of new companies in sectors that were otherwise unknown.

Indian Logistics Industry is expected to grow at a CAGR of 8.6 percent between 2017 and 2021. The key drivers of this growth are infrastructure investment associated with ports, airports, and other logistics development plans, domestic demand growth and increasing trade.

The industry comprises the following main segments:

- Freight and passenger transportation via road, rail, air and water
- Warehousing and cold-storage

Development of transportation and logistics-related infrastructure such as dedicated freight corridors, logistics parks, free trade warehousing zones, and container freight stations are expected to improve efficiency. Government reform initiatives, promotion of manufacturing and trade, improving investment climate are expected to transform the industry and drive growth between 2020 and 2025.

Economic reforms, trade cooperation, improved transportation infrastructure, and industrial growth is ushering in increasing opportunities for the logistics service providers (LSPs) in India. Presently, the Indian logistics industry is witnessing development and expansion of its existing infrastructure, emergence of e-commerce specific logistics solutions, has a strong focus on manufacturing, but also has a large presence of unorganized service providers.

Key trends observed in the Indian logistics industry are:



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- Government initiatives to promote the manufacturing sector and exports are likely to increase the demand for logistics functions. Trade with Asia, Europe, and North America are likely to remain major drivers for freight forwarding and transportation companies in the region.
- Major investments by both public and private sectors in the last five years on infrastructure, technology upgrades and expansion of sea and airport facilities, and dedicated logistics corridor in the rail network are expected to strengthen the Indian logistics infrastructure.
- The booming e-commerce market in India is bringing in new opportunities for LSPs. The evolving business model(s) in this space focuses on containing logistics and delivery costs.
- The expected implementation of nationwide uniform GST is likely to transform the distribution structure of majority of industries as it eliminates the need for dedicated warehouses for each individual administrative region

India stands alone as an island of hope in an otherwise volatile, and uncertain, global economy. Recent policy initiatives and regulatory changes pursued by the government are aimed at accelerating India's GDP growth to 7.36% and beyond, in the near future. The logistics industry will be a direct beneficiary of this growth momentum. Equally, the ultimate winner within the logistics industry will be one who is able to outpace competition by delivering on the ever increasing demands of service, quality and cost in both B2B and B2C sectors.

### Industry Development

The country's logistics industry which is worth around USD 160 billion is likely to touch USD 215 billion in the next two years with the implementation of GST. "With the implementation of GST, the Indian logistics market is expected to reach about USD 215 billion in 2020, growing at a CAGR of 10.5 per cent," Economic Survey 2018-19 tabled in Parliament. The Indian logistics industry which provides employment to more than 22 million people has grown at a compound annual growth rate (CAGR) of 7.8 per cent during the last five years, The Global Ranking of the World Bank's 2016 Logistics Performance Index shows that India jumped to 35th rank in 2016 from 54th rank in 2014 in terms of overall logistics performance. India has improved its rank in all the six components of logistics performance index. Realising the importance of the sector and to address the inefficiencies, the government has included the sector in the Harmonised Master List of Infrastructure Subsector. Inclusion of logistics sector in the Harmonised Master List of Infrastructure Subsector will benefit the sector in many ways, It will be helpful in facilitating the credit flow into the sector with longer tenures and reasonable interest rates, it said adding the infrastructure status will simplify the process of approval for construction of multi modal logistics (parks) facilities that includes both storage and transport infrastructure. "It will encourage market accountability through regulatory authority and will attract investments from debt and pension funds into recognised projects," it added. "It will encourage market accountability through regulatory authority and will attract investments from debt and pension funds into recognised projects."

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To a large extent, the logistics sector in India remains unorganised, it said adding the industry is facing challenges such as high cost of logistics impacting competitiveness in domestic and global market, underdeveloped material handling infrastructure, fragmented warehousing and lack of seamless movement of goods across modes, among others, "In order to develop this sector in an integrated way, it is important to focus on new technology, improved investment, skilling, removing bottlenecks, improving inter modal transportation, automation, single window system for giving clearances, and simplifying processes," By recognising the importance of the sector, a new logistics division has been created in the Department of Commerce to develop and coordinate integrated development of the industry, improvement in existing procedures, identification of bottlenecks and gaps, and introduction of technology-based interventions in this sector, the survey said

Improving logistics sector has huge implication on exports and it is estimated that a 10 per cent decrease in indirect logistics cost can increase 5-8 per cent of exports, Apart from increasing trade, better performance in logistics will augment programmes like Make in India, and also enable India to become an important part of the global supply chain.

### **Recent Scenario**

The recent Indian logistics sector comprises of inbound and outbound segments of the manufacturing and service supply chains. Of late, the logistics infrastructure has gained a lot of attention both from business industry as well as policy makers. The role of managing this infrastructure, to effectively compete has been slightly under-emphasized.

Inadequate logistics infrastructure has an effect of creating bottlenecks in the growth of an economy. The logistics management regimen has the capability of overcoming the disadvantages of the infrastructure in the short run while providing cutting edge competitiveness in the long term. There exist several challenges and opportunities for logistic sector in the Indian economy.

### **Challenges Faced by the Recent Logistic Industry in India**

An essential challenge faced by the industry today is the insufficient integration of transport networks, information technology, and warehousing & distribution facilities. Regulations exist at a number of different tiers, is imposed by national, regional and local authorities. However, the regulations differ from city to city, hindering the creation of national networks.

Trained manpower is essential both for the third-party logistics sector as well as the manufacturing and retailing sectors, which is very weak at a practical level, i.e., IT, driving and warehouse as well as at a higher strategic level. The disorganized nature of the logistics sector in India, its perception as a manpower-heavy industry and lack of adequate training institutions has led to a shortfall in skilled management and client service personnel. There is a lack of IT standard, equipment and poor systems integration.

Poor facilities and management are the reason for high levels of loss, damage and deterioration of stock, mainly in the perishables sector. Part of the problem is insufficient specialist equipment, i.e. proper refrigerated storage and containers, but it is also partly down

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to lack of training. The practitioners and the academicians are now aware of the importance of logistics and supply chain; however the field is still under-penetrated as far as research is concerned. It is essential to prioritize research and development so that the weaknesses in the industry can be taken care of and improved.

### **Solutions to Some of the Challenges**

Infrastructure is the backbone of every country's growth and prosperity and for the logistics industry to flourish special emphasis has to be on building world-class road networks, integrated rail corridors, Modern cargo facilities at airports and creation of logistics parks which need to be given a status equivalent to Special Economic Zones.

It is necessary to realize that the benefits which can best be practiced in logistics industry can be brought about by the companies by establishing training intuitions so that there is improvement in the overall service quality of the sector. Good storage and Warehousing facilities are important for the growth of the logistics industry. With the increase in the transportation of perishable products, the logistics agencies need to give a lot of importance to enhancing the Warehousing facilities.

Warehousing is required to go to the next level taking into account the changing dynamics of JIT manufacturing, global procurement and new models of sales and distribution. Emphasis on research and development is potent mainly because it encourages the use of indigenous technology which can make the industry cost competitive and can also bring about improvement in services thereby using better, effective and efficient services. Particular focus has to be on research in process excellence which can help to eliminate inefficiencies and bring Indian logistics on par with global practices.

### **Future Prospects**

The logistics firms are moving from a traditional setup to the integration of IT and technology to their operations to reduce the costs incurred as well as to meet the service demands. The growth of the Indian logistics sector depends upon its soft infrastructure like education, training and policy framework as much as the hard infrastructure.

To support India's fast-paced economy growth of logistics industry is very essential. It is estimated that the Indian logistics industry will continue to show robust growth of 10-15% annually, leading the pace of growth of the economy at large.

The global economic outlook, indeed that of India is expected to significantly improve as India Inc begins to tackle the economic downturn. With a new government many policies are expected to be implemented which will give a fresh impetus to India's growth engine particularly in the corporate and SME sector which in turn will expand demand for the logistics sector.

With the implementation of GST, logistics companies, which are currently forced to set up many small warehouses across multiple cities can set up just a few, big warehouses region wise and can follow the hub-and-spoke model for freight movement from the warehouses to

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the different manufacturing plants, wholesale outlets, retail outlets and the various POS. This growth is backed by the boom in the e-commerce sector and expansionary policies of the FMCG firms.

This has increased the service geography of the logistics firms but they also have to meet the demands of quick delivery and tight service level agreements. The industry has moved from being just a service provider to the position which provides end to end supply chain solutions to their customers. Thus, all this has paved the way for further growth of Logistics and Warehousing industry in the coming years.

**Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's strategies on business, projections and estimates are forward looking statements. The actual results may vary from those expressed or implied, depending upon economic conditions, Government policies, regulations, tax laws and other incidental factors.





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**Annexure 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 Company Continuous its in-house programme of enlightening and educating commercial vehicle drivers for greater fuel efficiencies. All the vehicles owned by the company undergo an intensive Planned Preventive Maintenance (PPM) drill to keep the vehicles in top running conditions with special emphasis on fuel conservation.

**2. Research & Development**

The operations of the Company do not require any elaborate R& D Activities. The Company however maintains the quality of its services by constant quality control & evaluation for improvement of existing services.

**3. Technology Absorption, Adoption & Innovation**

No technical tie up has been entered so far. The Company however keeps itself abreast of the latest technological changes.

**4. Foreign Exchange Earnings & Outgo**

Total foreign exchange earned & used

i) Foreign exchange earned NIL

ii) Foreign exchange used NIL

**5. MGT 9 as per attachment****6. MR -3 Secretarial audit report as per attachment**

**By order of the Board**

**For MFL India Limited**

Sd/-  
(Anil Thukral)  
Managing Director  
DIN-01168540

Sd/-  
(Syed Zameer Ulla)  
Director  
DIN-07486691

Place: New Delhi

Date: 04.09.2021



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To,

The Members,

**MFL India Limited**

**CIN: L63040DL1981PLC012730**

94/4, UG-F, UG-9 Village Patparganj,

Delhi-110091

Our Secretarial Audit Report of even date is to be read along with this letter:

#### **Management's Responsibility**

1. It is the responsibility of the management of the company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from this company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliances of laws, rules and regulations and happening of events etc.

#### **Disclaimer**

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Avnish Kumar

Company Secretary

Membership No.: A43422

C.P.No. 18318

UDIN:A043422C000896032

Place: Delhi

Date: 04.09.2021

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## **Secretarial Audit Report** **Form No. MR-3**

For The Financial Year Ended 31st March, 2021

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

To,  
The Members,  
**MFL India Limited**  
**CIN: L63040DL1981PLC012730**  
94/4, UG-F, UG-9 Village Patparganj,  
Delhi-110091

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. MFL India Limited. (Hereinafter called the Company) having its registered office at 94/4, UG-F, UG-9 Village Patparganj, Delhi-110091. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the MFL India Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by MFL India Limited for the financial year ended on 31st March, 2021 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
  - g) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- VI. Applicable Secretarial Standards issued by the Institute of Company Secretaries of India;
- VII. The Listing Agreements entered into by the Company with Stock Exchange(s) Other laws:
- a) Indian Stamp Act to the extent applicable to the issue of Securities under the Companies Act, 2013.
  - b) Foreign Exchange management act, 1999 and the rules and regulations made there under to the extent of foreign direct investment

Other Laws applicable specifically to the Company namely:

- I. The Motor Vehicles Act, 1988
- II. Motor Transport Workers Act, 1961
- III. Employee Provident Fund Scheme, 1952
- IV. Employee State Insurance Act, 1948
- V. Information Technology Act, 2000
- VI. Payment of Gratuity Act, 1972

We have also examined compliance with the applicable clauses of the following:

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- III. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

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

**a.** *The Company Delay in furnishing prior intimation of meeting of Board of Directors as per the Provisions of Regulation 29(2)/29(3).*

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*b. The Company had filed Unsigned financial Result and Number of columns of the result should be as per SEBI Regulations. (i.e. Previous Quarter Not Given), Company Require to file Result PDF as per Regulation 33 Format.*

*c. The Company has not appointed any qualified company secretary as the compliance officer since March 2020*

*d. The Company ha not compliance the provision of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the updation of website.*

*e. The Company has not submitted disclosure of related party transactions on consolidated basis for the quarter ended 30th September, 2020.*

*f. The Company has not complied the provisions of Regulation 29 (2) of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*

We further report that:

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that the compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.



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We further report that during the audit period the company has provide details of specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For Manoj Purbey & Associates  
(Companies Secretaries)

Date : 04.09.2021

Place: Delhi

Sd/-

CS Avinash Kumar

(Partner)

M. No. A43422., CP: 18318

UDIN:A043422C000896032



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## Report on Corporate Governance

### Company's Philosophy on Corporate Governance

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At MFL India Limited, good Corporate Governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. Your Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Your Company is committed to the standards of Good Corporate Governance and adopted the principles of Good Corporate Governance in line with the requirements of the Corporate Practices enumerated in accordance with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes.

The Company aims to achieve greater transparency by making adequate disclosures and enhancing long term economic value of its Shareholders, while giving equal respect to the society at large. Given below is a brief report by the Director(s) on the practices followed at MFL India Limited to strive towards achievement of goal of Good 'Corporate Governance'.

- a) Enhancing long term Shareholder value through
  - Assisting the top management in taking sound business decisions; and
  - Prudent financial management.
- b) Achieving transparency and professionalism in all decisions and activities of the Company.
- c) Achieving excellence in Corporate Governance by
  - Conforming to the prevalent guidelines on Corporate Governance, and excelling in, wherever possible.
  - Reviewing periodically the existing systems and controls for further improvements

### Policies

In compliance with the requirements of Listing Agreements with Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), SEBI Regulations and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed herein:

#### Whistle Blower & Vigil Mechanism Policy

As per Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the Employees and Directors to raise and report concerns about unethical behaviour, actual or suspected fraud of any Director and/or Employee of the Company or any violation of the Code of Conduct. This Policy is available on the Company's website [www.mflindia.co.in](http://www.mflindia.co.in). Further during the year under review, no case was reported under the Vigil Mechanism. No person was denied access to the Audit Committee.

#### Code of Conduct

The Company has also adopted a Code of Conduct for the Members of the Board of Directors and Senior Management. All the Directors and senior functionaries, as defined in the said code, provide their annual confirmation of compliance with the Code. The copy of the code is available on the website of the Company [www.mflindia.co.in](http://www.mflindia.co.in). Besides the Code, the Company has also put in place a Policy on Ethics at Work Place which is applicable to all employees. The role and responsibilities of

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Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in Listing Regulations forms part of the appointment letters issued to Independent Directors.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below:

#### DECLARATION

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2021.

**ANIL THUKRAL**

Managing Director

H. No. G 504, Park View City,

Sector 48, Gurgaon 122001

05.09.2019

#### **Policies & Code as Per SEBI Insider Trading Regulations**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Compliance officer is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the Code.

#### **Familiarisation Program for Independent Directors**

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and annual financial statements of the Company are taken up detailed presentation covering inter alia economy and industry overview, key regulatory developments, strategy and performance of the Company is made to the Board.

Apart from the above policies, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted Remuneration Policy, Material Events Determination and Disclosure Policy and Document Preservation Policy.

#### **Board of Directors Composition and Category of Directors**

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MFL India Limited has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17 (1) of the SEBI Listing Regulations. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

The Board meets regularly to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions, etc. Some of the powers of the Board have also been delegated to Committee(s), which monitors the day-to-day affairs relating to operational matters. The Board thus exercises close control over the overall functioning of the Company with a view to enhance the Shareholder value

Composition of the Board as at the close of March 31, 2021:-

Category of Director	No. of Director	% to total no of Directors
Executive Director	1	25
Non- Executive Independent Director (Including Women Director)	3	75
<b>Total</b>	<b>4</b>	<b>100</b>

As mandated by Regulations 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulation) as of March 31, 2021, none of the independent directors of the company served as an independent director in more than seven listed entities and as per Regulation 26 of SEBI Regulation none of Directors is a member of more than ten committees or acting as Chairperson of more than five committees of the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The Agenda setting out the business to be transacted at the meeting along with the explanatory notes are sent to the directors seven days before the Board Meeting date.

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 8 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	Number of Directorships in other public companies	No. of Committees position held in other companies	
			Chairman	Member
Anil Thukral	Executive Director	Nil	Nil	Nil
Syed Zameer Ulla	Non-Executive Independent Director	Nil	Nil	Nil
Nawab Khan	Non-Executive Non Independent Director	Nil	Nil	Nil
Pratiksha Anant Patil	Non-Executive Independent Women	Nil	Nil	Nil

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	Director			
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**Number of Board Meetings**

During the financial year under review, the Board met 4 (Four) Times on:

- i. 31.07.2020
- ii. 05.09.2020
- iii. 13.11.2020
- iv. 08.02.2021

The attendance record of each Directors at the Board Meetings during the period ended on 31st March 2021 and of last Annual General Meeting is as under: -

Name of Directors/CFO	Total No. of Meetings held	No. of board meeting attended	Attendance at the last AGM
Anil Thukral	4	4	Yes
Syed Zameer Ulla	4	4	Yes
Pratiksha Anant Patil	4	4	Yes
Nawab Khan	4	4	Yes

None of the Directors of your Company are *inter-se* related to each other.

None of the Non-Executive Directors of the Company holds any shares and convertible instruments of the Company.

**Board Procedure**

The Board Meetings of the Company are governed by a structured agenda. The Company Secretary in consultation with Managing Director finalises the agenda of the Board Meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board Meeting(s) to enable the Board Members to take informed decision. Any Board Member may, in consultation with the Chairman of the Meeting and with the consent of all

Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. Senior Management personnel are invited from time to time to the Board Meetings to make requisite presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies. The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

**Performance Evaluation**

The Board has carried out evaluation of its own performance, the directors individually and evaluation of working of the committees of the Board during the financial year 2020-21. The structured evaluation process contained various aspects of the functioning of the Board and its committees, number of committees and their roles, frequency of meetings, level of participation, and independence of judgment, performance of duties and obligations and implementation of good corporate governance practices

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The Board expressed its satisfaction of the performance of all the directors, Board and its committees which reflected the overall engagement of the directors, the Board and its committees with the Company.

### Board Committees

Your Board has constituted Committees for smooth and efficient operation of day-to-day business of the Company. These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer review. Each Committee of the Board is guided by and operates under the terms of reference, which has been framed in compliance with applicable laws defining the scope, powers and composition of the Committee. The minutes of the meetings of all the Committees are placed before the Board.

### Audit Committees

The Board has constituted a well-qualified Audit Committee. The Company has framed the mandate and working procedures of the Audit committee as required under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulation defining therein the term of reference, membership, powers, meeting procedures etc. of Audit Committee.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to the foregoing, in compliance with requirements of Regulation 18 of the SEBI Listing Regulation, the Audit Committee reviews operations of subsidiary companies viz., its financial statement, significant related party transactions, statement of investments and minutes of meeting of the Board and Committees.

### Term of reference

The Terms of reference and role of the Audit Committee are as per Regulation 18 and Schedule II Part C of the SEBI Listing Regulations and Section 177 of Companies Act, 2013. The Committee meets periodically and inter alia:

- Reviews Accounting and financial reporting process of the Company;
- Reviews Audited and Un-audited financial results;
- Reviews Internal Audit reports, risk management policies and reports on internal control system;
- Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/ other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations.;
- Reviews and approves of transactions proposed to be entered into by the Company with related parties including any subsequent modifications thereto;
- Reviews functioning of Whistle Blower & Vigil Mechanism Policy; and
- Recommends proposals for appointment and remuneration payable to the Statutory Auditor, Internal Auditor and Chief Financial Officer.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. Additionally, in compliance with requirements of Regulation 24 of the SEBI Listing Regulations, the

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Audit Committee reviews operations of Subsidiary Companies viz. its financial statements, significant related party transactions, statement of investments and minutes of meetings of its Board and Committees.

### Composition and Meetings of the Audit Committee

S. No	Name of Director	Position	Category	No. of Meetings During the Year 2020-21	
				Held	Attended
1	Pratiksha Anant Patil	Chairperson	Non-Executive Independent	4	4
2	Anil Thukral	Member	Executive Director	4	4
3	Nawab Khan	Member	Non-Executive Non Independent	4	4

The Chief Financial Officer, Head Finance, the Partner/ Representative of the Statutory Auditors and the Internal Auditors are some of the invitees to the Audit Committee. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit Reports were considered by the Committee.

### Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

#### Term of reference

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. Formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. Ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
4. Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
5. Formulate policy with regard to remuneration to Directors, Key Managerial Personnel and Senior Management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### Composition and Meetings of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprised of Mr. Nawab Khan, Ms. Pratiksha Anant Patil and Mr. Syed Zameer Ulla as the members of the Committee all being Independent Directors.

During the year under review, the Nomination and Remuneration Committee met Four (4) times on July 31, 2020, September 5, 2020, 13<sup>th</sup> November, 2020 and February 08, 2021, and the necessary quorum was present at the meetings.

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The details of attendance of Nomination and Remuneration Committee meetings during the financial year ended March 31, 2021 are as under:-

Name of the Director	Category	No. of meeting attended
Mr. Nawab Khan (Non Executive Independent Director)	Chairman/Member	4
Ms. Pratiksha Anant Patil (Independent Director)	Chairman / Member	4
Mr. Syed Zameer Ulla (Non Executive Independent director)	Chairman/Member	4

### Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors are evaluated every year by the entire board with respect to various factors like personal traits which include business understanding, communicate skills, ability to exercise objective judgment in the best interests of the Company and on specific criteria which include commitment, guidance to Management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behaviour and judgment, maintenance of confidentiality and contribute to corporate governance practice within the Company.

### Remuneration Policy

The Company has two Executive Directors 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.)
Nil	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

### Shareholders/Investors Grievance and Share Transfer Committee

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.

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 July 31, 2020, September 5, 2020, 13<sup>th</sup> November, 2020 and February 08, 2021.



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The Composition of shareholders/Investors Grievance and Share Transfer Committee and the details of meeting attended by its members are given below:

Name of the Director	Category	No. of meeting held	No. of meeting attended
Mr. Syed Zameer Ulla (Non Executive Independent director)	Chairperson/Member	4	4
Ms. Pratiksha Anant Patil (Independent Director)	Chairperson	4	4
Mr. Nawab Khan (Non Executive Independent Director)	Member	4	4

There was no application for share transfer pending as at 31st March, 2021.

Details of investor's complaints received and redressed during the year 2020-21:

Opening Balance	Received during the year	Resolved during the year	Closing Balance

As on March 31, 2021, no investor grievance has remained unattended/ pending for more than thirty days.

### Risk Management Committee

During the period under review, the members of the Risk Management Committee met 4 (Four) time. The Dates of the meeting were July 31, 2020, September 5, 2020, 13<sup>th</sup> November, 2020 and February 08, 2021.

The composition of the Risk Management Committee and the Details of the meetings attended by its members are given below:

Name of the Director	Category	No. of meeting held	No. of meeting attended
Mr. Nawab Khan (Non Executive non Independent)	Chairperson/Member	4	4
Ms. Pratiksha Anant Patil (Independent Director)	Chairperson/Member	4	4
Mr. Syed Zameer Ulla (Non Executive Independent director)	Chairperson/Member	4	4

### Code of Conduct

The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the SEBI Regulation. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director. Further,

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the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also posted on the website of the company.

**General Body Meetings:**

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

AGM	Day	Date	Time	Venue
35 <sup>th</sup>	Saturday	29/09/2018	09:30 A.M	G-1, Ground Floor, Well King Towers, 94/4, Main Market, Patparganj, Mayur Vihar, Phase-I, Delhi – 110091
36 <sup>th</sup>	Thursday	31/10/2019	09:30 A.M	G-1, Ground Floor, Well King Towers, 94/4, Main Market, Patparganj, Mayur Vihar, Phase-I, Delhi – 110091
37 <sup>th</sup>	Wednesday	30.09.2020	10:00 A.M	G-1, Ground Floor, Well King Towers, 94/4, Main Market, Patparganj, Mayur Vihar, Phase-I, Delhi – 110091

**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**

**Whistle Blower policy**

The company has 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 behaviour to the employees are free to access the Management or Chairman of audit Committee to report such instances.

**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.

**Internal Controls**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational

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information and all statutory / regulatory compliances. The Company's business processes are on logy sis and have a strong monitoring and reporting process resulting in financial discipline and accountability

**Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Compliance officer is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

**Means of communication:**

(i) **Publication of Results:**

The Quarterly Results/ Annual Results of the Company are published in the leading newspapers viz:-

The Financial Express (English)

Naya India (Hindi)

(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 and are regularly posted.

(iii) Website: [www.mflindia.co.in](http://www.mflindia.co.in)

**General Shareholders' Information:**

a) **Registered Office:**

94/4, UG-F, UG-9,  
Village - Patparganj,  
Delhi -110091.  
Email-mfldelhi81@gmail com

b) **Registrar & Share Transfer Agents:**

M/s. Link Intime India Private Limited,  
44, Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-I,  
Near PVR Naraina, New Delhi – 110 028

c) **Annual General Meeting to be held:**

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Day,	Date,	Time & Venue:
Thursday	30/09/2021	09:00 A.M Venue: G-1, Ground Floor, Well King Towers, 94/4, Main Market, Patparganj, Mayur Vihar, Phase-I, Delhi – 110091
d)	<b>Financial Year</b> : 01/04/2020 to 31/03/2021 to 30 <sup>th</sup> September, 2021 (both days inclusive)	
e)	<b>Dividend Payment Date:</b> N.A.	
f)	<b>Stock Exchanges in which the Company's Shares are listed:</b> The Stock Exchange, Bombay Stock Exchange Limited, Mumbai Stock Code: 526622	
g)	<b>Status of payment of Listing Fees:</b> The Company has paid the listing fees to the Stock Exchange, Mumbai.	
h)	<b>Connectivity with the Depositories:</b> National Securities Depositories Limited (NSDL) Central Depository Services (India) Limited (CDSL) ISIN Numbers: INE 244CO1012	
i)	<b>Dematerialization of shares:</b> As of March, 2021, 34,25,30,740 Equity shares of the company stand dematerialized & this constitutes 95.06 in % of the holding in the Company.	
	<b>Corporate Office and Registered Office:</b> 94/4, UG-F, UG-9 Village-Patparganj, Delhi – 110 091. Email-mfldelhi81@gmail com	
j)	<b>Share Transfer System</b> Share transfers are affected on requests in Demat form as well as in physical form periodically at frequent intervals.	
k)	<b>Person who conducted the e-voting exercise:</b> The Board had appointed Mr. Amit Agrawal Practicing Company Secretary as Scrutinizer for conducting the said-voting / Postal Ballot.	

**CEO/CFO' S CERTIFICATION**

To the Board of Directors of MFL India Limited

**Regd. Office: 94/4, UG-F, UG-9, Village Patparganj, Delhi 110091**



## MFL India Limited

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I, **Khemraj**, 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 years which are 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: 04/09/2021

Sd/-  
**Khemraj**  
Chief Financial Officer

**CERTIFICATE ON CORPORATE GOVERNANCE**

The Members of

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**M/s. MFL India Limited**

94/4, UG-F, UG-9,  
Village- Patparganj,  
Delhi –110 091.

We have examined the Compliance of conditions of Corporate Governance by MFL India Limited (“ the Company”) for the period ended 31st March, 2021 as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

**For V K Sehgal & Associates  
Chartered Accountant  
Firm Registration No: 011519N**

Sd/-  
**Anuj Maheshwari  
Membership No.0960530**

**Date: 04.09.2021  
Place: Delhi**

**Declaration Regarding Compliance by Board Members and Senior Management  
Personnel with the Company’s Code of Conduct**

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In terms of the requirement of Regulation 26(3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements), 2015, code of conduct of the company has been displayed at the company's website: [www.mflindia.in](http://www.mflindia.in). All the members of the Board and the senior management personnel had affirmed compliance with the code for the year ending March 31, 2018.

Sd/  
**Anil Thukral**  
**Managing Director**  
**DIN: 01168540**

Date: September 04, 2021

Place: Delhi



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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 Company E-mail ID (mfldelhi81@ gmail.com) and our Registrar and Share Transfer Agents viz, “M/S Link In Time India Private Limited” at the website [www.linkintime.com](http://www.linkintime.com) (E-mail ID: [delhi@linkintime.co.in](mailto: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 INDIALIMITED**

Sd/-  
**Anil Thukral**  
Managing Director

Date: 4<sup>th</sup> September 2021  
Place: New Delhi



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## **QUALIFIED INDEPENDENT AUDITOR'S REPORT**

To  
The Members of **M/s MFL INDIA LIMITED**

### **Qualified Audit Report on the Financial Statements**

We have audited the accompanying financial statements of M/s MFL INDIA LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management’s Responsibility for the Financial Statements**

The Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

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

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An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

Our opinion on the Statement is qualified in respect of the matters described below.

**Attention is drawn to the following matters:**

1. The Bankers of the company have termed the Credit facilities of the company as a Non Performing Asset (NPA) and has recalled their facilities.
2. They have taken symbolic possession of the assets of the company mortgaged with them and have communicated their stand to the debtors of the company.
3. The business of the company has been discontinued/disrupted because of the above said affects. As a result, there is no turnover of the company in the last quarter of FY 2020-21.
4. After the closure of the financial year the major moveable assets of the company which generated revenue were repossessed by the financiers.
5. The company has generated cash losses during the financial year, the net worth of the company has been fully eroded, and current liabilities are substantially higher than current assets.

**Qualification**

The facts mentioned above indicate a material uncertainty and cast significant doubt on the company's ability to continue as a going concern. However, in absence of adequate information we cannot quantify the net realizable amount of assets and liabilities of the company to be stated in the financial statements.



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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order

2. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) on the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.





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- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For V.K. Sehgal & Associates  
Chartered Accountants  
(Firm's Registration No. 011519N)**

Sd/-  
**Anuj Maheshwari  
Partner  
(Membership No. 096530)**

Date: June 07, 2021

Place: New Delhi



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**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Auditor's report to the Members of M/s MFL INDIA LIMITED of even date)

- i. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the records examined by us, we report that, no material discrepancies were noticed. However, after the end of financial year majors movable assets of the company were repossessed by the financiers which has affected the company has a going concern.
- ii. The Company is in the business of providing services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted secured and unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered under the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) In view of (iii) above this reporting is not applicable.
  - (b) In view of (iii) above this reporting is not applicable.
  - (c) In view of (iii) above this reporting is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

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- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amounts payables in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us and on the basis of our examination of the records the company has not defaulted in repayment of loans and borrowing to a financial institution, bank, Government, or dues to debenture holders.
- viii. The Company has defaulted in repayment of loans and borrowings from the financial institutions/Banks. The Bank has termed the credit facilities of the company as NPA with effect from October 2018. The term Loan treated as NPA by the bank is Rs. 6.94 crores and the working capital limits termed as NPA by the bank amounts to Rs. 30.36 Crores.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year have been applied for the purposes for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.



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- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For V.K. Sehgal & Associates**  
**Chartered Accountants**  
**(Firm's Registration No. 011519N)**

Sd/-  
**Anuj Maheshwari**  
**Partner**  
**(Membership No. 096530)**

Date: June 07, 2021

Place: New Delhi



MFL India Limited

(CIN: L63040DL1981PLC012730)

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**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of Auditor’s report to the Members of M/s MFL INDIA LIMITED of even date):

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of M/s MFL INDIA LIMITED (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s

Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V.K. Sehgal & Associates**  
**Chartered Accountants**  
**(Firm's Registration No. 011519N)**

Sd/-  
**Anuj Maheshwari**  
**Partner**  
**(Membership No. 096530)**

Date: June 07, 2021

Place: New Delhi

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MFL India Limited

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**Balance Sheet**

MFL INDIA LIMITED						
BALANCE SHEET AS AT MARCH 31, 2021						
Prepared in compliance with the Indian Accounting Standards (Ind-AS)						
(Figures in Rs.)						
S. No.	Particulars	Note No.	Figures as at 31st March, 2021		Figures as at 31st March, 2020	
			(Audited)		(Audited)	
<b>I.</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-current assets</b>					
	(a) Property, Plant and Equipment	1	18625954		18631678	
	(b) Capital work-in-progress				-	
	(c) Investment Property				-	
	(d) Goodwill	2	-		-	
	(e) Other Intangible assets				-	
	(f) Intangible assets Under Development				-	
	(g) Biological Assets other than bearer Plants				-	
	(h) Financial Assets					
	(i) Investments					
	(ii) Trade receivables					
	(iii) Loans					
	(iv) Security Deposits		1000000		1395000	
	(i) Deferred tax assets (net)				-	
	(j) Other Non current Assets				-	
				19625954		20026678
<b>2</b>	<b>Current assets</b>					
	(a) Inventories	4	5782814		14623333	
	(b) Financial Assets					
	(i) Investments					
	(ii) Trade receivables	5	42822113		4800610	
	(iii) Cash and cash equivalents	6	2678697		1194506	
	(iv) Bank balances other than (iii) above	7	-			
	(v) Loans & Advances	8	1721037		-	
	(vi) Others					
	(c) Current Tax Assets (Net)					
	(d) Other current assets	9	4964641		10438472	
				57969302		31056921
	<b>Total Assets</b>			<b>77595256</b>		<b>51083597</b>

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II.	EQUITY AND LIABILITIES					
3	<b>Equity</b>					
	(a) Equity Share capital	10	360,292,000		360,292,000	
	(b) Other Equity	11	(373709317)	-	(404108616)	(43816616)
				(12817317)		
4	<b>Non-current liabilities</b>					
	(a) Financial Liabilities					
	(i) Borrowings	12	75000000		89148630	
	(ii) Trade payables				-	
	(iii) Security Deposits		8000000			
	(b) Provisions				-	
	(c) Deferred Tax Liabilities	13			-	
	(d) Other Non current Liabilities		-	83000000	-	89148630
5	<b>Current liabilities</b>					
	(a) Financial Liabilities					
	(i) Borrowings	14			-	
	(ii) Trade payables	15	1925760		5453141	
	(iii) Other payables	16	405000		180000	
	(b) Other current liabilities	17	5081812		118442	
	(c) Provisions	18			-	
	(d) Current Tax Liabilities (Net)	19			-	
				7412572		5751382
	<b>Total Equity and Liabilities</b>			<b>77595256</b>		<b>51083597</b>





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**STATEMENT OF PROFIT AND LOSS**

FOR THE PERIOD ENDED MARCH 31, 2021

Prepared in compliance with the Indian Accounting Standards (Ind-AS)

(Figures in Rs.)

S. No.	Particulars	Not e No.	Year Ended	
			March 31,2021	March 31,2020
			(Audited)	(Audited)
I.	<b>INCOMES</b>			
	Revenue From Operations	20	63124606	11943812
	Other Income	21	28627993	-
	i) Total Income		91752600	11943812
II.	<b>EXPENSES</b>			
	Operating expenses	22	48550560	7129000
	Purchase of stock in trade	23	17990772	19518237
	Employee benefits expense	24	256000	75000
	Changes in Inventory of Finished Goods	25	-5782814	-14623333
	Finance costs	26	298	5352
	Depreciation and amortization expense	27	-	5336
	Other expenses	28	1179736	1554251
	ii) <b>Total Expenses</b>		62194553	13663844
III.	Profit/(loss) before exceptional items and tax (i-ii)		29558047	-1720032
IV.	Exceptional Items			
V.	Profit/(loss) before tax (III-IV)		29558047	-1720032
VI.	Tax expense:			
	iii) Current tax		-	-
	iv) Deferred tax			-
	v) Tax paid/adjustment made for earlier years		-560529	
VII.	Profit/(loss) for the period (V-VI)		30118576	-1720032
VIII.	Other Comprehensive Income			
	A.(i) Items that will not be reclassified to P&L		-	-
	(ii) Income Tax Relating to items that will not be reclassified to Profit or Loss A/c		-	-
	B.(i) Items that will be reclassified to P&L		-	-
	(ii) Income Tax Relating to items that will be reclassified to Profit or Loss A/c		-	-
			-	-
IX.	Total Comprehensive Income for the period (VII+VIII)		30118576	(1720032)
X.	Earnings per equity share (for continuing operation):			
	(1) Basic		0.08	(0.00)
	(2) Diluted		0.08	(0.00)



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<b>MFL INDIA LIMITED</b>			
<b>NOTES TO ACCOUNTS TO THE BALANCE SHEET AS AT 31ST MARCH,2021</b>			
			<b>(Figures in Rs.)</b>
			<b>March 31,2021</b>
			<b>March 31,2020</b>
<b>3</b>	<b>Security Deposits</b>		
	Security deposits from parties	10,00,000.00	13,95,000.00
	Total	10,00,000.00	13,95,000.00
<b>4</b>	<b>Inventories</b>		
	Stock in hand	57,82,814.00	1,46,23,333.00
	Total	-	-
<b>5</b>	<b>Trade receivables</b>		
	Sundry Debtors	4,28,22,113	16,43,31,254
	Less:-Provision for Doubtful debts	--	-15,95,30,644
	Total	4,28,22,113	48,00,610
<b>6</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	1,41,250	1,64,000
	Balance in bank accounts	25,37,447	10,30,506
	Total	26,78,697	11,94,506
<b>7</b>	<b>Bank balances other than included in cash and cash equivalent</b>		
	Fixed deposits	-	-
	Total	-	-
<b>8</b>	<b>Loans and Advances</b>		
	SBI Advances for Loan Closure	-	-
	Advances to parties	17,21,037	-
	Total	17,21,037	-
<b>9</b>	<b>Other current assets</b>		
	Prepaid expenses	-	-
	TDS receivable	41,59,743	70,58,345
	Others	-	5,21,132

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	GST Receivable	8,04,898	28,58,994
	<b>Total</b>	<b>49,64,641</b>	<b>1,04,38,472</b>
<b>12</b>	<b>Borrowings</b>		
	Term Loans	-	-
	Unsecured loan from Director	7,50,00,000	8,91,48,630
	<b>Total</b>	<b>7,50,00,000</b>	<b>8,91,48,630</b>
<b>13</b>	<b>Security Deposits</b>		
	Security Deposit	80,00,000	-
	<b>Total</b>	<b>80,00,000</b>	
<b>14</b>	<b>Deferred tax liability</b>		
	Deffered tax liability	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>Borrowings</b>		
	Bank overdraft	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>16</b>	<b>Trade payables</b>		
	Sundry creditors	19,25,760	54,53,141
	<b>Total</b>	<b>19,25,760</b>	<b>54,53,141</b>
<b>17</b>	<b>Other payables</b>		
	Expenses Payable		
	Audit Fee Payable	4,05,000	1,80,000
	Salary payable	-	-
	<b>Total</b>	<b>4,05,000</b>	<b>1,80,000</b>
<b>17</b>	<b>Other current liabilities</b>		
	TDS Payable	2,99,721	1,18,441
	GST payable	47,82,091	-
	Staff advance	-	-
	<b>Total</b>	<b>50,81,812</b>	<b>1,18,441</b>
<b>18</b>	<b>Provisions</b>		

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	Provision for interest on Term loan and working capital loan		-	-
	Total		-	-
<b>19</b>	<b>Current tax liabilities (Net)</b>			
	Provision for taxation		-	-
	Total		-	-

## NOTES TO ACCOUNTS TO THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

		(Figures in Rs.)	
		March 31, 2021	March 31, 2020
<b>20</b>	<b>Revenue From Operations</b>		
	Sale of services	16,49,00,939	1,19,43,812
	Total	16,49,00,939	1,19,43,812
<b>21</b>	<b>Other Income</b>		
	Interest on Fixed Deposits	2,795	-
	Profit on sale of Fixed assets	-	-
	Scrap Sale	-	-
	Shortage	-	-
	TDS Recoverable on interest	-	-
	Bad Debts Recovered	-	-
	Insurance Claim	-	-
	Interest on Income tax Return	4,74,620	-
	W/off (OTS with Bank)	-	-
	Total	4,77,415	33,39,47,419
<b>22</b>	<b>Operating expenses</b>		
	Freight charges	6,40,05,261	3,45,000
	Diesel And Fuel Expenses	17,86,578	67,84,000
	Fleet expenses	6,485	-
	Custom Charges	-	-
	Other operating expenses	-	-
	Earnest Money Forfeited	-	-

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	Total	6,57,98,324	71,29,000
<b>23</b>	<b>Purchase of stock in trade</b>		
	Purchases	5,72,79,011	1,95,18,237
	Total	5,72,79,011	1,95,18,237
<b>24</b>	<b>Employee benefits expense</b>		
	Salary to staff	-	-
	Director Remuneration	-	-
	Staff welfare expenses	10,12,000	3,00,000
	PF & ESI	-	-
	Total	10,12,000	3,00,000
<b>25</b>	<b>Changes in Inventory of Finished Goods</b>		
	Opening Stock	1,46,23,333	-
	Less:- Closing stock	57,82,814	1,46,23,333
	Total	88,40,519	(1,46,23,333)
<b>26</b>	<b>Finance costs</b>		
	Interest to bank on term Loan	-	-
	Interest to bank on working capital	-	-
	Bank Charges	1,671	22,639
	Penal Interest charged by Bank	-	-
	Total	1,671	22,639
<b>27</b>	<b>Depreciation and amortization expense</b>		
	Depreciation on Fixed Assets	5,724	40,71,586
	Total	5,724	40,71,586
<b>28</b>	<b>Other expenses</b>		
	Vehicle Running & Maintenance	-	-
	Audit fees	2,50,000	200,000.00
	Telephone & Telex	-	-

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Business Promotion	-	
Advertisement Expense	-	56,363
Conveyance Expenses	-	
Donation	-	
Electricity & Water Expenses	19,454	24,826
General Expense	3,600	15,838
Interest on TDS	9,706	72
Loading & Unloading Expenses	-	
Loss on Sale of Fixed Assets	-	25,32,005
Rebate & Discount	-	
Office Repair & Maintenance	22,188	
Postage & Telegraph		
Printing & stationary	4,500	3,000
Professional & Legal Expenses	7,76,755	10,99,261
Rent Office	2,40,000	1,20,000
Website expenses	-	
Misc expenses	-	
Travelling		-
Brokerage & Commission		
Custom Charges	-	
Insurance Expenses	-	
Diwali and Bonus Expenses	-	5,22,288
Bad Debts	6,76,133	3,25,662
Total	20,02,335	48,99,316



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## MFL INDIA LIMITED

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2021

### Note-1: Company overview

MFL India Ltd. is a company rendering logistics and supply chain services all over the country. The Indian logistics & supply chain sector is increasingly becoming attractive to foreign and domestic operators as well as strategic and financial investors. The company has the mission to extend its operations to every nook and corner of the country in the years to come as the logistics & supply chain sector is also growing with the growing India.

The Company is a public limited company incorporated on 28/11/1981 in India and has its registered at 94/4, UG-F, UG-9 Village Patparganj, Delhi-110091, India. The Company has its listing on BSE Limited.

### Note-2: Statement of compliance:

- a) The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- b) Upto the year ended 31st March, 2021, the Company prepared its financial statements in accordance with the requirements of previous GAAP prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. These are the Company's first Ind AS financial statements.

### Note-3: SIGNIFICANT POLICIES

#### a) Basis of preparation of financial statements

- i. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").
- ii. The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.
- iii. The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

#### b) Use of estimates and judgments

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- i) The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.
- ii) The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**c) Property, plant and equipment**

- i) The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to Statement of Profit and Loss in the period in which the costs are incurred.
- ii) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

**d) Other Intangible assets**

- i) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.
- ii) Certain computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

**e) Depreciation / Amortisation**

- a. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.
- b. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
- c. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained





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by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

- d. Depreciation on tangible assets is provided as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on useful life and residual value notified for accounting purposes by Electricity Regulatory Authorities.
- e. Lease improvement costs are amortized over the period of the lease. Leasehold land acquired by the Company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortized.

Estimated useful life of the assets are as follows:

Class of Property, plant and equipment	Useful life
Plant and equipment	07 years
Furniture and fixtures	09 years
Vehicles	07 years
Office equipment	4 years

- f. Useful life is either the period of time which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

#### f) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### h) Inventories:

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.



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Inventories of stores, spare parts, coal, fuel and loose tools are stated at the lower of weighted average cost and net realizable value. Net realizable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

**i) Revenue recognition:**

**i. Sale of Services**

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

Revenue from sale of logistics and other related services is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

**ii. interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**i) Employee benefits**

The Company has following post-employment plans:

**a. Defined contribution plans - provident fund**

- I. Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.
- II. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**j) Taxation**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.



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**a) Current tax**

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**b) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

**k) Earnings per share**

a. Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

b. Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

**l) Provisions, contingencies and commitments:**

- a. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation
- b. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
- c. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably
- d. A disclosure for contingent liabilities is made where there is-



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- i. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- ii. a present obligation that arises from past events but is not recognized because:
- iii. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- iv. The amount of the obligation cannot be measured with sufficient reliability.
- e. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- f. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- g. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.
- h. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

**m) Financial instruments**

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and finance fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

**a. Financial assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

**b. Subsequent measurement**

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) The contractual cash flow characteristics of the financial asset.



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### c. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount -outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as fair value through profit or loss on initial recognition):

- a) the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- b) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss.

All other financial assets are subsequently measured at fair value.

### d. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Statement of Profit and Loss and is included in the "Other income" line item.

### e. Financial liabilities

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.



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#### **f. Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **g. Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

#### **n) Provision for liabilities and charges, Contingent liabilities and contingent assets**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

#### **o) Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information



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**Note-4: NOTES TO ACCOUNTS**

1. 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 sated in the Balance Sheet.
2. Capital and other commitments: The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2021 is NIL (Previous Year:-NIL).
3. Payment to Directors

Particulars	Current year	Previous Year
Remunerations	NIL	NIL

4. Payment to Auditor

Particulars	Current year	Previous Year
For Audit fee	2,50,000	2,00,000
For Tax Audit fee	NIL	NIL
For other Taxation matter	NIL	NIL
Service Tax/GST	45,000	36,000
Total	2,95,000	2,36,000

5. Expenditure in foreign currency

Particulars	Current year	Previous Year
For Travelling/others	NIL	NIL

6. Deferred Tax Provision for Deferred Tax Assets/Liabilities

Particulars	DTA	DTL
DTL as on 01/04/2020	NIL	NIL
DTL on Fixed Assets	NIL	NIL
DTL as on 31/03/2021	NIL	NIL

7. Debit and credit balances of suppliers, customers and other are subject to confirmation and reconciliation.
8. The earning per share, basic as well as diluted is Rs. (0.00) per share.
9. Notes 1-29 form as integral Para of the accounts and have been authenticated as such.

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## 10. 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.

## 11. Related Party disclosure:

## (I) Key Managerial Personnel;

Name of KMP	Designation
Anil Thukral	Managing Director
Khemraj	CFO

## (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.

## 12. Additional information pursuant to the provisions of paragraph 3 and 4 of part II of Schedule III to the Companies Act, 2013.

## 13. Previous Year's figures have been regrouped, reclassified and rearranged in pursuant of Schedule III wherever necessary to correspond with the figures of the current year

**For V.K. Sehgal & Associates**  
Chartered Accountants  
(Firm's Reg. No. 011519N)

**For and on behalf of Board of Directors**  
**For MFL India Limited**

Sd/-  
CA Anuj Maheshwari  
Partner  
Membership No. 096530

Sd/-  
Anil Thukral  
Managing Director  
DIN: 01168540

Sd/-  
Syed Zameer Ulla  
Director  
DIN: 07486691

**Date:** June 07, 2021

**Place:** Delhi





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## ATTENDANCE SLIP

### 38<sup>th</sup> Annual General Meeting

I/We hereby record my presence at the Annual General Meeting of the Company on Thursday, the 30<sup>th</sup> September 2021 at 09:00 A.M, at the registered office of the Company at 94/4, UG-F, UG-9 Village Patparganj, Delhi 110091, India.

-----  
Name of Shareholder/Proxy (IN BLOCK LETTERS)

-----  
Signature of Shareholder/Proxy

Folio No.-----

Client ID#-----

D.P I.D-----

No. of Shares:-----

# (Applicable for Shareholders holding shares in dematerialized form)



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**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) : .....

Registered Address : .....

E-mail Id : .....

Folio No/ Client Id/ DP ID : .....

I/We, being the member (s) of ..... shares of the MFL India Limited, hereby appoint:

1. \_\_\_\_\_ (Name) of \_\_\_\_\_ (Address) having e-mail id \_\_\_\_\_ or failing him
2. \_\_\_\_\_ (Name) of \_\_\_\_\_ (Address) having e-mail id \_\_\_\_\_ or failing him
3. \_\_\_\_\_ (Name) of \_\_\_\_\_ (Address) having e-mail id \_\_\_\_\_

and whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual Ordinary General Meeting of the Company, to be Thursday, the 30<sup>th</sup> September, 2021 at 09:00 A.M. of the Company at 94/4, UG-F, UG-9 Village Patparganj, Delhi 110091, India and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions	For	Against
1.	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2021 including Balance Sheet, Statement of Profit & Loss, Cash flow statement and the Reports of Auditors and Directors thereon.		
2.	To appoint a director in place of Mr. Nawab Khan (DIN: 08065674) who retires by rotation and, being eligible, offers himself for re-appointment		
3.	To reduce share capital under section 66 of the Company Act, 2013 upto 90 % of the present issued, subscribed and paid-up share capital of the company.		

Signed this..... day of..... 2021 \_\_\_\_\_

Signature of shareholder

\_\_\_\_\_  
Signature of 1 st proxy holder      Signature of 2nd proxy holder      Signature of 3rd proxy holder

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

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**POSTAL BALLOT FORM**

Registered Folio No	DP ID No	Client ID No	No
			No. of Shares held

Name and Address of the Sole/  
First named Shareholder  
Joint Holder's Name (if any)

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed through Postal Ballot for the businesses stated in the Notice of the Company dated 30<sup>th</sup> September 2021 by sending my/our assent or dissent to the said resolutions by placing a tick mark (√) in the appropriate box below:

Item No	Description	No. of Shares Held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Adoption of Audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2021 including Balance Sheet, Statement of Profit & Loss, Cash flow statement and the Reports of Auditors and Directors thereon			
2.	To appoint a Director in place of Mr. Nawab Khan (DIN: 08065674) who retires by rotation and, being eligible, offers himself for re-appointment			
3.	To reduce share capital under section 66 of the Company Act, 2013 upto 90 % of the present issued, subscribed and paid-up share capital of the company.			

Place:

Date:

Signature of Shareholder

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