

BOARD OF DIRECTORS

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

Mr. Deepak Arneja
- Managing Director & CEO

Mr. Ravinder Mohan Juneja
- Managing Director

Mr. Jatinder Pal Singh Narang
- Non - Executive Director

Mr. Sudhir Arneja
- Whole Time Director

SENIOR EXECUTIVES

Mr. Dheeraj Juneja - General Manager (SCM)
Mr. Prateek Arneja - General Manager (S & M)

COMPANY SECRETARY

Ms. Madhu Kaushik

BANKERS

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

AUDITORS

M/s. GSK & Associates
Chartered Accountants
New Delhi - 110055

**REGISTRAR & SHARE
TRANSFER AGENT**

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

REGISTERED OFFICE

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

WORKS (IN INDIA)

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

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

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of the Company will be held at Red Rose Farm House, Budhpur, New Delhi – 110036 on Saturday, 22nd day of September, 2012 at 11:30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March 2012 and Statement of Profit & Loss for the year ending on 31st March 2012 together with Directors' & Auditors' Report thereon.
2. To declare the dividend on equity shares for the financial year ended on 31st March, 2012.
3. To appoint a director in place of Mr. Jatinder Pal Singh Narang, who retire by rotation and being eligible, offers himself for re – appointment.
4. To appoint a director in place of Mr. Ghanshyam Dass Soni, who retire by rotation and being eligible, offers himself for re – appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and fix their remuneration.

Regd. Office:

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

Place : New Delhi
Date : 28.07.2012

By order of the Board

Sd/-
Deepak Arneja
(Managing Director)

Brief Resume of the Directors being re-appointed

	Particulars of Director	Particulars of Director
Name	Mr. Ghanshyam Dass Soni	Mr. Jatinder Pal Singh Narang
Date of Birth	12/03/1947	31/05/1953
Date of appointment	02/03/1998	04/08/1995
Expertise in field	He has immense years of experience in Publication Industry	He has immense years of experience in Transport Industry
Directorships in other companies	1. Soni Publication Private Limited 2. Sumu Financial Services Private Limited	1. Kanpur Delhi Goods Carrier Ltd. 2. Kanpur Delhi Transport (P) Ltd. 3. Harjas Impex (P) Ltd. 4. J.P Fashion wear (P) Ltd. 5. Nikunj Netweb Solution (P) Ltd.
Committee membership in Mohindra Fasteners Limited	1. Chairman-Audit Committee 2. Chairman-Share Transfer & Investor Grievances & Redressal Committee	NIL
Shareholding in the company.	1.93%	3.47%

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.THE PROXY FORM MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR ANNUAL GENERAL MEETING.
2. The Register of Members and Share Transfer Book will remain closed from 15.09.2012 to 22.09.2012 (both days inclusive).
3. Shareholders are requested to intimate the change of address, if any to the Company immediately.
4. Members are requested to get their shares dematerialized. The ISIN code of our securities with CDSL & NSDL is INE705H01011.

5. The amount of Dividend remaining unpaid for the years 2004-05, 2005-06, 2006-07, 2007-08, 2008-2009, 2009-2010 and 2010-2011 transferred to the company's unpaid dividend account, can be claimed from the company by the members entitled to it for a period of seven years from the respective dates of such transfer after which it shall be transferred to the "**Investor Education and Protection Fund**" constituted under section 205C of the Companies Act, 1956. The amount pertaining to 2004-05 will be transferred to IEPF in October 2012.
6. In order to avoid fraudulent encashment of the Dividend warrant(s), members are advised to inform details of their Bank account number and name and address of the Bank, for incorporating the same on the Dividend warrant(s).

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By order of the Board

Sd/-
Deepak Arneja
(Managing Director)

SHAREHOLDER'S NOTICE

Dear Shareholder,

Sub: PAN requirement for registration of transfer of shares in physical form

This is with reference to the above mentioned SEBI circular. In this regard this to inform that SEBI has made submission of PAN card Mandatory for transfer of shares in physical form for listed companies vide circular no. MRD/DoP/Cir-05/2007 dated April 27, 2007.

In view of above, it shall be obligatory for the transferee(s) to furnish copy of PAN card to the Company or to Company's RTA (Our RTA is Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110020) for registration of transfer of shares.

This is to inform, Our Company is implementing the same for the transfer requests received on or after 21st May, 2009. Thus you are requested to record the same and send your all transfer request along with the copy of their PAN Card in future for registering the transfer of shares.

Note: *The Shares of the Company is available for Dematerialization under the Depository System with NSDL and CDSL. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE705H01011. Thus, Company makes a request to those shareholders whose shares are held in physical form to Dematerialized their securities with NSDL or CDSL in due course.*

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 18th Annual Report and Audited Statement of Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

	For the year ended	
	2011 – 2012 (₹ in Lacs)	2010 – 2011 (₹ in Lacs)
Sales/ Other Income	9307.75	7557.67
Profit before interest & depreciation	1304.11	1064.86
Profit before depreciation	895.03	681.98
Depreciation for the Year	327.12	294.59
Profit before taxation	567.91	387.39
Provision for taxation:		
Current Tax	183.00	121.57
Deferred Tax	(9.88)	50.40
Profit After Tax	394.79	215.43
Add/(less) Adjustment for previous year	(18.38)	(0.88)
Balance brought forward from previous year	1207.91	1050.05
Balance available for appropriation		
Proposed Dividend	80.35	40.18
Dividend Tax on proposed dividend	13.04	6.52
Transfer to General Reserve	20.00	10.00
Balance carried forward	1470.93	1207.90

COMPANY'S VISION

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

COMPANY'S MISSION

The Company will strive to achieve the following:

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

OPERATIONAL REVIEW

The Company recorded total net sales & other income of ₹ 9307.75 Lacs for the Financial Year ended 31st March, 2012 as against ₹ 7557.67 Lacs achieved during the Previous Financial Year, which is close to a growth of 23% in total revenues. The export sale was at ₹ 4940.18 Lacs as against ₹ 3251.86 Lacs in the previous year.

The Net Profit before tax (PBT) of the Company is ₹ 567.91 Lacs as compared to previous year figures of ₹ 387.40 Lacs. The net profit grew by about 46.60 %. The Company has achieved growth both in Exports & Domestic markets.

The company continues to be a net foreign exchange earner for the Fifteenth year in succession.

DIVIDEND

The Board is pleased to recommend the dividend @ 15% i.e. ₹ 1.50 per share of ₹ 10/- each fully paid up, for the financial year ended on 31st March, 2012. The dividend, if approved by the shareholders at the Annual General Meeting shall be payable to shareholders, whose names appear in the Register of Members, as on 15.09.2012. The total outgo on account of dividend, inclusive of Dividend Tax @ 16.2225% (inclusive of Surcharge & Educational Cess) stands at ₹ 93.39 Lacs. The tax will not be deducted at source.

TRANSFER TO GENERAL RESERVE

Out of the profits of the company, a sum of ₹ 20 Lacs transferred to general reserve and total reserve and surplus of the company is ₹ 1704.76 Lacs as on 31st March, 2012.

CURRENT PERFORMANCE

The current year has started on a mixed note. While we see certain sectors of the economy in negative group, some are even flat. The manufacturing sector is witnessing a flat trend with automotive sector showing different growth patterns. However your company has performed well and there has been a marginal growth of 6% for the first quarter of the current financial year.

In the Automotive segment, the two wheeler segment sales are up, passenger car segment sales are flat and heavily biased towards diesel driven engines. Heavy truck segment sales are down. However, we do expect sales in the automotive segment to grow in second quarter (Q2) of this year.

The exports scenario is also giving mixed results. Our basket of customers are well diversified in terms of geographical spreads and hence we do not foresee difficulties in short to medium term.

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

AWARD AND RECOGNITION

During the Financial Year, your company has received **Green Vendor Award** from M/s Hero MotoCorp Limited.

QUALITY MANAGEMENT SYSTEM

The Company has been accredited with numerous certifications for adopting and implementing international quality systems in all its operations. Its streamline manufacturing process and ethical business practices have enabled it to earn international certifications like: ISO 9001:2000 and ISO/TS 16949:2002.

The Company envisages a vision of Zero Defect Policy. The Company has strengthened its efforts towards implementing 5S & six sigma to enhance the quality of work and products. Your Company is also working towards OHSAS: 18001 to implement safety drive.

INTEGRAL REPORTS

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

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

- (i) Certificate signed by the Managing Director affirming receipt of compliance with the code of conduct from all Board members during the year 2011-2012. (placed at Annexure " A-2) as per clause 49 (I) (D) (ii) of the Listing Agreement ; and
- (ii) Certificate of compliance of Corporate Governance provisions of clause 49 signed by the Auditor of the company as per clause 49 (VII) of the Listing Agreement. (placed at Annexure " A-4)

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

DIRECTORS

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

Mrs. Bahvna Rao, nominee director of IFCI Ventures Capital Funds Ltd. has resigned from the post of directorship of Mohindra Fasteners Limited w.e.f 11th May, 2011.

COST AUDITOR

In respect of Circular no. 52/26/CAB-2010, dated 30.06.2011, Company appointed M/s Sanjay Kumar Garg & Associates as the cost auditor to conduct the cost audit of the company for the financial year 2011-12.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) that in preparation of the annual accounts for the financial year ended 31st March, 2012 they have followed the applicable accounting standards along with proper explanation relating to material departures;
- ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the year under consideration;
- iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2012 on a going concern basis.

AUDITORS

M/s. GSK & Associates, Chartered Accountants, Auditors of the Company, retire in accordance with the provisions of Section 224 of the Companies Act, 1956 and being eligible offer themselves for re – appointment in the ensuing Annual General Meeting.

PARTICULARS OF EMPLOYEES

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

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

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

HUMAN RESOURCES

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

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

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

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

FIXED DEPOSIT

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

CASH FLOW ANALYSIS

In compliance with the provision of Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2012 is annexed hereto.

CORPORATE GOVERNANCE

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

ACKNOWLEDGEMENT

The Board of directors' place on record their sincere appreciation for the dedicated efforts put in by all employees, their commitment and contribution ensuring sustained growth that your Company has achieved in competitive and challenging times during the year. Your directors would like to record their sincere appreciation for the support and co-operation that your Company received from all government authorities, financial institutions, distributors, suppliers and business associates whom your Company regards as partners in progress. The Board of Directors also express their appreciation for the assistance and co-operation extended by the bankers and unstinted support received from all group Companies.

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

Regd. Office:

304, Gupta Arcade, Inder Enclave,
Delhi – Rohtak Road
New Delhi - 110 087
Place : New Delhi
Dated : 28.07.2012

By order of the Board

Sd/-
Ravinder Mohan Juneja
(Managing Director)

Sd/-
Deepak Arneja
(Managing Director)

Annexure to the Directors' Report

Conservation of energy, Technology Absorption and Foreign Exchange Earnings and outgo pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of Energy

The Company continues its attempts to improve energy conservation and utilization

a) Energy Conservation measure taken:

The Company has monitored its energy consumption regularly and has made several modifications in the plant resulting in reduced energy consumption, such as:

- 1) Constant monitoring of energy consumption and further requisite follow-up.
- 2) Replacement of tube lights/lamps with energy efficient lamps, In off –hours, lights in work premises is kept off.
- 3) Introduction of methanol based systems in place of endogas generators.
- 4) Reduction of maximum demand and restricting the maximum demand to billing demand.
- 5) Air conditioning being set at relatively higher temperature.

The Company is making all efforts to put stress on energy conservation by taking measure to ensure that plant be kept continuous running and idle time is reduced to bare minimum.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

- 1) Use of Air Pneumatic Tools over Electric Tools.
- 2) Emphasis on installation of lower voltage energy efficiency lamps and use of CFL lamps.
- 3) Introduction of waste heat recovery system in furnace.
- 4) Setting the room Air Conditioners at a temperature of 24°C.
- 5) Rationalization of load on different DG sets.

The Company continues to adopt energy efficient practices in its operations and implement proposals arising out of regular energy audits. The Company has put in efforts to improve overall energy efficiency by installing power efficient equipments.

c) Impact of the measure at (a) and (b) above for reduction of energy conservation and consequent impact on the cost of production of goods.

As a result of above measures undertaken, the power and fuel consumption in plants has been reduced thus saving in energy cost during the period under consideration.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto.

ANNEXURE

FORM A

(See rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy.

1. POWER AND FUEL CONSUMPTION

	Current Year 2011 – 2012	Previous Year 2010 - 2011
a) Power		
a. Purchased		
i) Unit (KWH)	6164863	6345894
ii) Total Amount	34559005	36204335
iii) Rate Per Unit (₹)	5.61	5.71
b) Own Generation	Nil	Nil
 b) Fuel		
Coal	Nil	Nil
Diesel Oil (Ltrs.)	373547	479582
Total Amount	15800428	18058207
Rate Per Ltr. (₹)	42.30	37.65
 c) Gas		
Petroleum Gas (Kgs.)	47833	77796
Total Amount	2653372	3460523
Rate Per Kg. (₹)	55.47	44.48

2. CONSUMPTION PER UNIT OF PRODUCTION

Production (with details) Unit

Productivity	6379.93	6203.34
Electricity KWH/MT	966.29	1022.98
Diesel Oil Ltr. / MT	58.55	77.31
LPG (In KG) MT	7.50	12.54

B. Technology Absorption:

a) Efforts made in Technology absorption as per Form B of the Annexure

Form B
(See rule 2)

Form for disclosure of particulars with respect to absorption.

Research and Development (R & D)

A. Specific areas in which R& D is carried out by the company

R&D is undertaken for extending the range of the existing products, lowering costs and process improvement. Certain activities which were initiated are as under:-

- 1) Multiple Tasking of the machines.
- 2) Development of various surface finishes based on customer's needs.
- 3) Cold forging of bigger diameters in stainless steel.

B. Benefits derived as a result of the above R & D efforts.

1. Process improvement resulting in higher production.
2. Quality Improvement
3. Cost reduction.
4. Product range extension to reach newer markets.
5. Meeting customer targets on time, cost, quality and new products.

C. Future plan of action

1. Adopt more value engineering ideas into products to make them more cost effective in order to meet the target costs.
2. Up gradation of existing technology.
3. Applied research and value engineering

Since this being a continuous process, continuous up gradation does take place from time to time depending upon products/ process. Any fixed line of action other than above has not been envisaged.

D. Expenditure on R&D

- | | |
|---------------|----------|
| i. Capital | ₹ 74,549 |
| ii. Recurring | Nil |
| iii. Total | ₹ 74,549 |
- iv. Total R& D expenditure as a percentage of total turnover 0.0085%.

The Company has incurred expenditure amounting to ₹ 74,549 (Capital Expenditure- 74,549 and Revenue Expenditure –Nil) towards Research and Development.

Technology, absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

- a. The Company has retained the accreditation of its quality systems being in line with ISO 9001-2000. The unit has obtained accreditation to the latest ISO/TS 16949-2002 standards.
- b. Efforts are being made to get the vendors facilities accredited as per ISO -9001-2000.
- c. Training of personnel in –house.

2. Benefits derived as a result of the above efforts e.g product improvement, cost reduction, product development, import substitution etc.

- a. Process improvement resulting in higher production.
- b. Cost reduction.
- c. Constant updation of the Quality Management Systems has equipped the Company to meet the stringent Quality and general standards stipulated by customers.
- d. Development of eco-friendly processes results in less quantity of effluent and emission.

While the tangible benefits arising have been mentioned above, the intangibles are countless which includes promoting corporate social responsibility by making an effective use of natural resources, and to improve quality of life. The Company does nothing by which any harm is done to the environment and that the Company complies with all laws, rules and regulations seeking to control and reduce pollution of all types and protect the environment.

3. Activities relating to Technology Imported

A Stereo Microscope purchased by the Company during the year. The Company keeps itself updated with latest technology innovation by way of constant research and development, personal discussions and visits to foreign countries / plants.

C. Foreign exchange earnings and outgo:**i) Activities relating to exports; initiatives taken to increase exports; Development of the new exports markets for products and services and export plans**

Efforts: Despite severe competition from China and Taiwan, the Company has made efforts on various fronts for promotion of exports. Specific markets like U.K., U.S.A and Europe have been chosen for special thrust in future. Personal discussions and visits to foreign countries/plants have helped the Company to promote its exports.

ii) Total foreign exchange used and earned.

During the year we have earned / incurred the following in foreign exchange.

(I) Foreign Exchange Earnings: In FOB value ₹ 485,851,323

(Previous year in FOB value ₹ 315,944,128)

(II) Foreign Exchange Outgo: ₹ 138,176,594 (Previous year ₹ 144,240,047)

Annexure-"A"**CORPORATE GOVERNANCE REPORT**

(As per Annexure IC to clause 49 of Listing Agreement with Stock Exchange)

1. COMPANY'S PHILOSOPHY

The Company' Philosophy on Corporate Governance envisages the attainment of the highest level of transparency, accountability, commitment, value for stakeholders, customer's satisfaction and sustainable developments.

The Company remains committed to laying strong emphasis on corporate governance and will continue its efforts towards raising the standards in Corporate Governance and will also review its systems and procedures constantly in order to keep pace with the changing environment.

2. BOARD OF DIRECTORS

The Board of Directors of the Company presently consists of Five directors. The composition of Board is balanced, comprising of Executive and Non – Executive Directors (including two independent directors). Mr. Ravinder Mohan Juneja, Mr. Deepak Arneja, Managing Directors and Mr. Sudhir Arneja, Whole Time Director are the Executive Directors of the Company.

Meetings and Attendance

Details of Meetings of Board of Directors held during the Financial Year 2011-2012

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1	29th April, 2011	6	3
2	23rd July, 2011	5	5
3	24th October, 2011	5	4
4	25th January, 2012	5	4

Leave of absence was obtained in terms of Section 283 (1) (g) of the Companies Act and granted in all cases of absence by Directors. The Composition of the Board as on 31st March, 2012 and the attendance at the Board Meetings during the financial year and the last Annual General Meeting as also number of other Directorships and Committee Memberships are given below:

S. No.	Name of the Director	Category of Director	No. of Board meeting attended	Last AGM attended	No. of Directorship in other Public Co's Chairman/ Member	No. of Committee Membership in other Public Co's Chairman/ Member
1	Mr. Ravinder Mohan Juneja	Managing Director	4	Yes	-	-
2	Mr. Deepak Arneja	Managing Director	4	Yes	-	-
3	Mr. Sudhir Arneja	Whole - Time Director	4	Yes	-	-
4	Mr. J. P. Singh Narang	Non – Executive Director	2	No	1	-
5	Mr. Ghanshyam Dass Soni	Non – Executive Independent Director	2	No	-	-
6	Mrs. Bhavana Rao*	Non – Executive Independent Director	-	-	1	-

Notes:

1. The term 'Whole time Director' used in this report refers to functional/executive directors as contemplated in the Listing Agreement.
2. Apart from the remuneration to Directors as per the terms and conditions of their appointment and entitled sitting fees to Independent Director, none of the directors has any material or pecuniary relationship with the Company which can affect their independence of judgment.
3. The number of Directorships is within the maximum limit of fifteen (15) as mentioned in Section 275 to 278 of the Companies Act, 1956.
4. Committee here denotes Audit Committee and Shareholders/ Investors' Grievance Committee as per the Explanation 2 to Clause 49 (I) (C.) (ii) of the Listing Agreement.
5. The number of committee membership/chairmanship of directors is within the maximum limit of ten memberships in all including the limit of Five Chairmanship as prescribed in Clause 49 (I) (C.) (ii) of the Listing Agreement.

Code of Conduct for Board Members and senior Management of the Company (as per Clause 49 I (D))

The Company has already evolved and formally adopted, with the approval of Board of Directors a code of conduct for Board members. These codes of conduct attached as Annexure –A1 to this report. The declaration signed by MD affirming compliance with the Code of Conduct during 2011-12 is placed as Annexure –A2.

3. AUDIT COMMITTEE**Composition**

The Audit Committee of the Company comprises two Non – Executive Independent Directors and one Executive Director. The Chairman of the Committee is a Non - Executive Independent Director. The GM (Finance & Taxation) of the Company is Permanent Invitee to the Audit Committee and the Company Secretary is the Secretary to the Committee. The members of Audit Committee as on financial year ended 31st March, 2012 are:

1. Mr. Ghanshyam Dass Soni
2. Mr. Deepak Arneja
3. Mr. J. P. Singh Narang

Meetings and Attendance

During the financial year, four meetings were held on 29th April, 2011, 23rd July, 2011, 24th October, 2011 and 25th January, 2012.

Details of Meetings held and attendance during the financial year 2011 – 2012:

S. No.	Name of the Member	Category	No. of Meetings attended
1	Mr. Ghanshyam Dass Soni	Chairman	2
2	Mr. Deepak Arneja	Member	4
3	Mr. J P Singh Narang	Member	2

Scope and Power

The Audit Committee of the Company provides an effective internal control that ensures:

- Efficiency & effectiveness of operations.
- Safeguarding of assets & adequacy of provisions for all liabilities.
- Correctness & credibility of all financial & other management information.
- Compliance with all relevant statutes.

The powers of the Audit Committee include the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary

The role of the Committee includes the following:

- Reviewing the Company's finance reporting process & disclosure of its financial information to ensure the correctness & credibility of the financial statements.
- Recommending the appointment & renewal of the statutory auditors, fixation of audit fee & approval of payment for other services.
- Reviewing the quarterly & annual financial statements in accordance with the accounting policies of the Company.
- Reviewing the adequacy of internal control system & audit function, ensuring compliance of internal control system & reviewing the Company's financial & risk management policies.
- Reviewing the reports furnished by the auditors and any material arising from them.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. REMUNERATION COMMITTEE AND REMUNERATION POLICY

Executive Directors

The Company has not set up a Remuneration Committee. The Board of Directors decides the remuneration of the Executive Directors, subject to the approval of the shareholders and in accordance with the and within the limits prescribed under Schedule XIII of the Companies Act, 1956.

Remuneration to Executive Directors

The remuneration paid/payable to the Managing Directors and Whole Time Director for the year ended 31st March, 2012 are as follows:

Name of the Director	Salary and other Allowances	Perquisites	Total
Mr. Ravinder Mohan Juneja	1,720,298	75,000	1,795,298
Mr. Deepak Arneja	1,696,298	15,000	1,711,298
Mr. Sudhir Arneja	1,186,145	15,000	1,201,145

Non – Executive Directors

During the financial year 2011-12, Non –Executive directors were not paid sitting fees for any meeting of the Board and for any other committee meeting attended by them based on their attendance at the Board and the committee meetings. No other fees/ commission were paid during the year. No significant material transactions have been made with non-executive Directors vis-à-vis your Company.

Details of shareholding of Directors as on 31.03.2012 are given as under:

Sl.No.	Name of the Director	No. of equity shares	% of Holding
1	Mr. Ravinder Mohan Juneja	473,500	8.84
2	Mr. Deepak Arneja	409,700	7.65
3	Mr. Sudhir Arneja	271,000	5.06
4	Mr. Jatinder Pal Singh Narang	186,000	3.47
5	Mr. Ghanshyam Dass Soni	103,500	1.93

5. SHAREHOLDERS / INVESTOR'S GRIEVANCES COMMITTEE

Composition

The Company has constituted a Shareholders Grievance Committee by the name "Share Transfer and Investor's Grievances & Redressal Committee" in the year 1996. However, the same has been reconstituted during the financial year 2005 – 2006. The Committee comprises of three directors with one being Non – Executive Director. The Chairman of the Committee is an Independent Director. The main role of the Committee includes redressing the shareholders grievances and approving the transfer/ transmission of shares, issue of duplicate share certificates etc. The members of the Committee as on financial year ended 31st March, 2012 are:

1. Mr. Ghanshyam Dass Soni
2. Mr. Ravinder Mohan Juneja
3. Mr. Deepak Arneja

Meetings and Attendance

During the financial year, twenty four (24) meetings were held on 15th April, 2011, 30th April, 2011, 15th May, 2011, 30th May, 2011, 15th June, 2011, 30th June 2011, 15th July, 2011, 30th July, 2011, 16th August, 2011, 31st August, 2011, 15th September, 2011, 30th September, 2011, 15th October, 2011, 31st October, 2011, 15th November, 2011, 30th November, 2011, 16th December, 2011, 30th December, 2011, 14th January, 2012, 31st January, 2012, 16th February, 2012, 29th February, 2012, 15th March, 2012 and 31st March, 2012.

Details of Meetings held and attendance during the financial year 2011 – 2012:

S. No.	Name of the Member	Category	No. of Meetings attended
1	Mr. Ghanshyam Dass Soni	Chairman	10
2	Mr. Ravinder Mohan Juneja	Member	24
3	Mr. Deepak Arneja	Member	23

During the year no complaint was received from any shareholder of the Company and hence no complaint was pending as on 31.03.2012.

However the Company had received 25 no. of requests from the shareholders regarding transfer and transmission of shares, issue of duplicate shares, non receipt and revalidation of dividend and change of address and dematerialization of shares etc, which had been duly redressed and no request was pending as on 31st March, 2012.

6. COMPLIANCE OFFICER

Ms. Madhu Kaushik, the Company Secretary is the Compliance Officer of the Company. The Compliance Officer can be contacted at:

304, Gupta Arcade,
 Inder Enclave, Delhi-Rohtak Road
 New Delhi-110087
 Tel: +91-11-46200400 Fax: +91-11 25282667
 Direct: +91-11-46200410
 Email: cs@mohindra.asia

7. SUBSIDIARY COMPANY

The Company does not have any subsidiary.

8. DISCLOSURE

- **Disclosures on materially significant related party transaction that may have potential conflict with the interest of the company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

- **Details of non compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange(s) or SEBI or by any other statutory authority or any matter related to capital markets during the last three years.**

There has not been any non – compliances, penalties and strictures imposed on the Company by the Stock Exchange(s) or SEBI or by any other statutory authority or any matter related to capital markets during the last three years.

- **Accounting Treatment**

The Company follows accounting standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from the prescribed in any accounting standard.

- **Board Disclosures- Risk Management**

The Company informs the Board every quarter about the risks assessment and minimization procedures.

- **Proceeds from public issues, right issues, preferential issues etc.**

The Company has not made any public issue of shares. There has not been an instance of non-compliance on any matter related to the capital market.

- **Management**

A Management Discussion and Analysis Report spelling out an overview of the affairs of the Company, its business environment, mission & objectives, outlook, operational performance, its resources & systems, strengths, opportunities, constraints, risks & concerns, strategies, prospects, etc. has been included as part of the Director's Report.

- **Details of compliance with the mandatory requirements and adoption of the non-mandatory requirements of this clause.**

The Company has complied with all mandatory requirements. Adoption of non-mandatory requirements is provided under item no.12 of this report.

9. CEO CERTIFICATION

The Managing Director certified in writing the due compliance of sub-clause (a) to (d) of Clause 49 (V) which was placed before the Board of Directors (placed as Annexure-A3 to this report)

10. MEANS OF COMMUNICATION

The quarterly results of the Company as approved and taken on record by the Board of Directors within one month from the close of the relevant quarter and published in "Financial Express" (English Newspaper All India Edition) and Jansatta (Hindi Newspaper Local Edition).

11. GENERAL SHAREHOLDERS INFORMATION

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

ANNUAL GENERAL MEETING

Date	:	22nd September, 2012
Venue	:	Red Rose Farm House, Budhpur, Delhi-110036
Time	:	11.30 A. M.
Book Closure Dates	:	15.09.2012 to 22.09.2012 (both days inclusive)

Particulars of Last three AGMs

AGM	YEAR	VENUE	DATE	TIME
17th	2010-2011	Aggarwal Farm House, Hiranki Road, Bakhtawarpur, Delhi - 110036	16.09.2011	11.30A.M.
16th	2009-2010	Aggarwal Farm House, Hiranki Road, Bakhtawarpur, Delhi - 110036	30.09.2010	11.30A.M.
15th	2008-2009	Aggarwal Farm House, Hiranki Road, Bakhtawarpur, Delhi - 110036	29.09.2009	11.30A.M.

The shareholders passed all the resolutions including the special resolution set out in the respective notices. No postal Ballots were used for voting at these meetings.

Financial Calendar for 2012 – 2013

Quarterly results ended on:

30th June 2012	:	July, 2012
30th September 2012	:	October, 2012
31st December 2012	:	January, 2013
31st March 2013	:	April, 2013

Dates of Book Closure:

The register of Members and Transfer Books will remain closed from 15.09.2012 to 22.09.2012 (both days inclusive)

Dividend Payment

The Board of Directors of the Company has proposed the dividend @ 15% (i.e. ₹ 1.50 per share of ₹ 10/- each fully paid) for the financial year 2011 – 2012, which is subject to the approval of the shareholder in the ensuing Annual General Meeting. The payment of dividend shall be made within 30 days from the date of Annual General Meeting.

Listing on Stock Exchange

The Company is listed on The Delhi Stock Exchange Association Limited. Listing fee for the year 2012 – 2013 has been paid to Delhi Stock Exchange where shares of the Company are listed. Scrip code of our Company in Delhi Stock Exchange is 013313.

Shareholding Pattern of the Company as on 31.03.2012

S. No.	Category	No. of Shares Held	%age of Shareholding
1	Promoters – Individuals	3285500	61.33
2	Mutual Funds	19600	0.37
3	Banks, Financial Institution	0	0
4	Private Corporate Bodies	500000	9.33
5	Indian Public	1551700	28.97
6	NRI, Foreign Nationals, OCBs and FII's	NIL	NIL

Distribution of Shareholding as on 31.03.2012

Shareholding Nominal Value	No. of Shareholders	%age of Shareholders	No. of Shares Held	%age of Shareholding
Up to 500	152	31.40	64900	1.21
501 – 1000	168	34.71	164800	3.08
1001 – 2000	55	11.37	107300	2.00
2001 – 3000	36	7.44	92400	1.72
3001 – 4000	5	1.03	18200	0.34
4001 – 5000	14	2.89	69900	1.30
5001 – 10000	10	2.07	92900	1.73
10001 & above	44	9.09	4746400	88.61
Total	484	100.00	5356800	100.00

Registrar & Share Transfer Agents (RTA)

M/s. Skyline Financial Services (P) Ltd. is the Registrar and Share Transfer Agents of the Company for carrying out share registration and other related activities of the Company.

Address for correspondence:

M/s. Skyline Financial Services (P) Ltd.
 D, 153A, 1st Floor,
 Okhla Industrial Area, Phase – I,
 New Delhi - 110020
 E-mail: admin@skylinerta.com
 Ph: 011-26812682, 83 & 84.
 Fax: 011-30857562

Share Transfer System

The Company shares being in compulsory demat list are transferable through the depository system only. Shares in physical form are process by M/s. Skyline Financial Services (P) Ltd., Registrar and Share Transfers Agent (RTA) of the Company every fortnightly. Then, the shares are confirmed to the respective clients Account with depository of NSDL & CDSL.

The Company's Share Transfer and Investor's Grievances & Redressal Committee generally meet fortnightly for approving share transfers. The Share Certificates are returned to the transferee within a period of two weeks provided the documents lodged with the Company are clear in all respects. There are no pending transfers as on 31st March, 2012.

Dematerialization of Shares

The Shares of the Company are available for trading under the Depository System with NSDL and CDSL. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE705H01011. As on 31st March, 2012 the total 4338500 No. of equity shares of the Company, which forms 81% of the paid up share capital of the Company has been held in dematerialized form with both the depositories i.e NSDL & CDSL and the balance representing 1018300 no. of equity shares, which forms 19% of

the paid up share capital of the company has been held in physical form. Annual Custody Fees for the year 2012 – 2013 has been paid to both the depositories of the Company.

Nomination of Shares

As per Section 109A of the Companies Act, 1956, every holder of the equity shares in a Company may at any time, nominate, in the prescribed manner, a person to whom his shares of the company shall vest in the event of his death. Thus, in consideration of the said section your Company offers facility of Nomination. The members are requested to refer to Section 109A of the Companies Act 1956 as amended. The facility is made available folio wise and for the entire share registered under the said folio. The members holding shares in dematerialized form may contact and consult their respective depository participant (DP) for availing the nomination facility.

Stock Market Data

No shares of the Company were reported to be traded in the Stock Exchange during the financial year 2011 – 2012.

Plant Location

The Company has its manufacturing at the following place where the plants of the Company are located:

Plant – I

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

Plant - II

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

12. NON MANDATORY REQUIREMENTS**1. The Board**

All independent directors contribute effectively to the business carried on by the Company. In the opinion of the Board, it is not necessary to limit the aggregate tenure of each of the Directors.

2. Remuneration Committee

The company has not set up a remuneration Committee. The remuneration package of Executive Directors is determined by the Board subject to the approval of the shareholders. As per the requirements under the Companies Act, 1956, the executive directors neither participate in the discussion nor do they vote on such resolutions while considering the remuneration package by the board. In the opinion of the Board, there is no conflict of interest in determination of remuneration package to Executive directors.

3. Shareholders Rights

The quarterly/ annual results, after they are taken on record by the Board of Directors, are forthwith sent to the Stock exchanges with whom the Company has listing arrangements. The results, in prescribed proforma, are published in "Financial Express" (English) and in "Jansatta" (Hindi).

4. Audit Qualification

There is no Audit Qualification by the Statutory Auditors.

5. Training of Board Members/ Mechanism for evaluating non-executive board members

All the Non –Executive (including independent) Directors are having rich experience and expertise in functional areas of manufacturing, operations, finance and sales and marketing. They are also members on the Board of other companies. All of them actively take part in the deliberations of the Board Meetings and contribute effectively to the business. In the opinion of the Board neither training of board members nor any evaluation is required.

6. Whistle Blower Policy

The Company is in process of creating a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of business conduct and ethics.

13. COMPLIANCE CERTIFICATE

This report duly complies with the legal requirements in respect of data that should be disclosed in a corporate governance report as per Clause 49 of the Listing Agreement. The non- mandatory requirements as specified in Annexure ID to Clause 49 have also been highlighted in the report to the extent they have been adopted by the Company. The quarterly report about compliance with the Corporate Governance requirements as prescribed in Annexure IB of Clause 49 is also being sent to the stock exchange within 15 days after the end of each quarter.

Certificate obtained from the Auditors regarding compliance of the conditions of corporate Governance as stipulated in Clause 49 VII of the Listing Agreement has been included as "Annexure-A4" to the Directors' report.

Annexure -A1

Code of Conduct for all Members of the Board of Directors of Mohindra Fasteners Limited

We the members of the Board of Directors of MOHINDRA FASTENERS LIMITED (MFL) hereby accept and undertake to follow in letter and spirit the Code of conduct as given below :-

1. **Attend all the meetings of the Board/ it's Committees with reasonable regularity;** dedicate sufficient time, energy and attention thereto, and make reasonable enquiries to enable well informed and sound decision making by the Board of Directors.
2. **Act honestly, fairly, and in good faith with due care and diligence** and in team spirit while performing duties and while exercising powers as director in the best interest of the Company.
3. **Respect and ensure compliance** of all the applicable laws of the land and Rules and Regulations thereunder in letter and spirit.
4. **Ensure confidentiality** of information received as Director and disclose it only if authorized by the company or as required by law.
5. **Not to allow personal interest to conflict with the interest of the Company** and not to engage in any activity which is likely to conflict with duty/ responsibility as a Director towards the Company.
6. **Not to make improper** use of information received and not to take advantage of the position as a Director for personal gain.
7. **Limit Directorship** of companies to a number in which he can best devote his time and effectiveness; each director is an own judge of his abilities and how to manage his time effectively in the company in which he holds Directorship.
8. **Not to accept directorship** on the Board of **any other company** that competes with the business of MFL, while being a Director of Mohindra Fasteners Limited.
9. **Not use the assets of the company** for any illegal purpose.
10. **Adopt an objective and positive attitude** and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies.

Place : New Delhi
Date : 28.07.2012

Sd/-
Deepak Arneja
(Managing Director)

Annexure-A2

DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS OF COMPLIANCE WITH THE CODE OF CONDUCT

I, Deepak Arneja, Managing Director of MOHINDRA FASTENERS LIMITED, do hereby declare that the Directors of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the Code of Conduct as prescribed by the Company and have adhered to the provisions of the same.

Place : New Delhi
Date : 28.07.2012

Sd/-
Deepak Arneja
(Managing Director)

Annexure-A3

CEO Certification

To,

The Board of Directors,

I, the undersigned, certify to the Board that I have reviewed financial statements and the cash flow statement for the year ending 31.03.2012 and 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.
- III. There are, to the best of my knowledge and belief, no transaction entered into by the Company during the years which are fraudulent, illegal or violative of the Company's code of conduct.
- IV. I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the company. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- V. I have discussed with the auditors and the Audit Committee
 - a) significant changes made/to be made in internal control during the year;
 - b) significant changes in accounting policies during the year , and the same have been disclosed in the notes to the financial statements; and
- VI. There was no instance of significant fraud of which I am aware nor there has been involvement of the management or an employee having a significant role in the company's internal control system.

Place : New Delhi
Date : 28.07.2012

Sd/-
Deepak Arneja
(Managing Director)

Annexure-A4

GSK & ASSOCIATES
Chartered Accountants

8, 1st floor, Motia Khan Industrial Area,
Rani Jhasi Road, New Delhi-110055
Phone: 231515470 - 73
Email: gsk.associates@rediffmail.com

AUDITOR'S CERTIFICATE

To
The Member of Mohindra Fasteners Ltd

We have examined the compliance of conditions of Corporate Governance by Mohindra Fasteners Limited, for the year ended on 31st March 2012, as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchange(s) in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the clause 49 of the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholder/Investor Grievance Committee.

We further state that such compliance 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.

**For GSK & Associates
Chartered Accountants
(Registration No. 013838N)**

**Sd/-
Anil Somani
(Partner)
Membership No. 93521**

Place : New Delhi
Date : 28.07.2012

Annexure-B**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management of Mohindra Fasteners Limited is pleased to present the 'Management Discussion & Analysis Report' covering the performance for the financial year 2012 – 2013.

OVERVIEW

The financial statements of the Company have been prepared in compliance with the requirements of the Companies Act, 1956 and generally accepted accounting principles in India. There are no material deviations from prescribed accounting standards. The Management of our Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and the state of affairs and profits for the year.

ECONOMIC ENVIRONMENT

The Economic Environment has lately become very dynamic. The world is a much smaller place than people would expect. The global economies are quite dependent on each other and the G20 plays an important role to make sure that a slackness in demand in any part of the world is addressed on a shorter/quicker basis to avoid its widespread. India as a responsible member plays its role effectively. However at the domestic front, political compulsions coupled with absence of bold decisions and a high inflation rate is surely affecting the environment.

Growing manufacturing economies and increases in fixed investment among the world's emerging economies will bring more rapid growth in fastener demand in these regions. Consequently, fastener demand growth in the Asia/Pacific, Africa/Middle East, Eastern Europe and Latin America which will definitely benefit Indian fasteners industry. Market growth will be strong as well as Sales growth will be stimulated by favorable economic conditions and higher income levels leading to a rise in manufacturing activity and consumer expenditures for durable goods.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The past few years have been a revelation for the Indian auto components industry, which has reinvented itself from being a domestic demand fulfiller to the global supplier of choice for world leading auto OEMs. Growth in the domestic automobile industries and overseas auto OEM's looking for cheaper inputs has led to increase in market size of the auto component industry in India and is expected to grow over the next few years. Global demand for industrial fasteners is forecasted to increase by 5% per year and maximum demand will be from automotive industry.

OUTLOOK

Robust demand in the user industry, ongoing expansion, established clientele base and strong order booking makes the company a suitable investment candidate with a long-term horizon. To increase the export percentage in the total revenue and make their presence felt in the international arena, the company has been very active in acquiring companies overseas. In order to meet the market challenges your company has been following the philosophy of providing the highest quality products and services to the customers. It has been focusing on elimination of waste, tight management of working capital and building people capability. All endeavors are made to maximize gains and reduce cost. Enough emphasis is laid on value addition per employee.

OPPORTUNITIES & THREATS

The growth in demand for high tensile fasteners in India is basically based on the growth of Automobile Sector & other engineering industries in India and on the prospects of growth in Export Market.

India is at a threshold for a major take off in Automobile Sector and the growth in Automobile Sector will directly effect the growth of manufacturing High Tensile Fasteners. Moreover, the Global Meltdown has forced the various Western Countries to look for low cost Asian Countries for their business ventures that will open new business opportunities for us.

MFL is well positioned to take the advantage of this anticipated demand growth on a long term basis. The Company has good growth prospects in the domestic as well as in international markets.

THREATS

The main threat comes from the competition with the local, unorganized manufacturers in fasteners industry as they offer attractive propositions to the customers having disregard to quality & other unethical business practices.

Even in Export Market, we face swear competition from South East Asian Countries such as China, Taiwan.

CHALLENGES

MFL faces a normal market challenge and competition from other manufacturers of high tensile fasteners. Besides, the substantial increase in the prices of inputs, high energy costs and high manpower costs have also become a challenge for all managements of the Country.

STRENGTHS

- Undertaken import-substitution for Automotive Companies in India
- Combination of hot and cold forging under one roof.
- Turning, Milling, Grinding and Drilling in the same premises.
- Facility to produce Precision Machine Components
- 50% of Tonnage exported to Europe and USA
- Ability to handle carbon/alloy/ball- bearing/spring/stainless steel for various products and applications
- Ability to develop new components in short time.

RISKS & CONCERNS

Your Directors recognize that there are uncertainties and risks attached to any business. The risks could be external, internal, or a combination of both. External risks can be intensification of competition, product substitution, technological obsolescence, changes in Government policy with regard to taxes and levies or economic slowdown adversely impacting demand and profitability. Such risks will be continuously monitored and appropriate action taken by the Company to minimize the same. Internal risks comprise operating risks, financial risks and business risk. The Company will take effective steps to deal with such risks.

All operating Divisions of the Company would identify any risks as perceived by them and take immediate steps to minimize the impact and at the same time submit a report to the next higher level of reporting.

ADEQUACY OF INTERNAL CONTROLS

The Company has proper and adequate internal controls to ensure that its assets are safeguarded and protected against the loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly.

The Company has an Internal Audit system which is commensurate with its size and nature of its business. The internal controls implemented by the management is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

The Company has an Audit Committee headed by a non-executive independent director, inter-alia, which periodically reviews the internal control systems to ensure their effectiveness and adequacy as also the annual financial statements with particular reference to major accounting entries, involving estimates based on the exercise of judgement by the management as well as other areas requiring mandatory review as per clause 49 of the Listing Agreement with the stock Exchange.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The profits before tax (PBT) has increased by 46.60 %. However, Your Company has achieved growth in domestic markets and finding more avenues to capture international market.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company enjoyed harmonious relation with all employees in the factory and office throughout the year. Your Directors wish to place on record their appreciation of the dedicated and commendable services rendered by the staff and workers of the Company. The Company had 331 employees as on 31st March, 2012.

The industrial relations continued to be cordial throughout the year and human resource and its development continue to be our focus area. Due to intensive training, there has been an improvement in terms of quality, productivity and house keeping.

CAUTIONARY STATEMENT

Statements in this management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual might differ from the statements expressed in the above report.

Place : New Delhi
Date : 28.07.2012

Sd/-
Deepak Arneja
(Managing Director)

AUDITOR'S REPORT**TO
THE MEMBERS OF
MOHINDRA FASTENERS LIMITED**

We have audited the attached Balance Sheet of M/s Mohindra Fasteners Limited as at March 31, 2012, the Statement of Profit & Loss and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis of our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 [as amended by the Companies Auditor's Report (Amendment) Order 2004] issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts, as required by the law, have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on March 31, 2012, as taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance sheet, of the state of affairs of the company as at March 31, 2012;
 - ii) In the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

**For GSK & Associates
Chartered Accountants
(Registration No. 013838N)**

**Sd/-
Anil Somani
(Partner)**

Membership No. 93521

Place : New Delhi
Date : 28.07.2012

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in Paragraph 1 of our Report of even date

1. a) The company has maintained proper records, showing full particulars, including quantity details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion and according to the information and explanations given to us the company has not disposed off a substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. a) The inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. The company has received confirmations in respect of stocks lying with third parties.

The Company is in the process of developing resources planning module for better control and monitoring of work-in process & this will help in better assessment in times to come.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of Company and the nature of its business.
- c) The Company is maintaining proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to book records.
3. a) The Company has not granted any unsecured / secured loans to companies, firms and other parties covered in the register maintained under section 301 of the Act. Therefore, the requirement of clause (iii) b, (iii) c and (iii) d of paragraph 4 of the order are not applicable.
- b) The Company has taken unsecured / secured loans from companies, firms and other parties covered in the register maintained under section 301 of the Act. Total number of such parties is 4 and maximum amount outstanding at any time during the year was ₹ 174.00 Lacs and year-end balance is ₹ 25.00 Lacs (Interest Free).
- c) In our opinion and according to the information and explanations given to us, the rate of interest where applicable and other term and condition of such loan are not prime facie prejudicial to the interest of the company.
- d) The principal amount, are repayable on demand and there is no repayment schedule. The interest, where applicable, is payable on demand.
- e) In respect of such loans, the same are repayable on demand and therefore the question of overdue amount does not arise, In respect of interest, where applicable, there is no overdue amount.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory & fixed assets and also for the sale of the goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) According to the information and explanation given to us, the transactions made in pursuance of contract or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 and exceeding the value of ₹ 5.00 Lacs in respect of each party, the transactions have been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not been accepted any deposits from the public. Therefore, the provision of clause (vi) of paragraph 4 of the Order is not applicable to the company
7. In our opinion and as informed to us the company has an adequate internal audit system commensurate with the size and nature of its business. However, the company has not appointed any internal auditor for that purpose.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion, that prime facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. a) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.
- b) The disputed statutory dues aggregating to ₹ 35.07 Lacs. Against this the Company has deposited ₹ 35.15 Lacs on account of disputed matters pending before appropriate authorities are as under.

Name of the Statute	Nature of Dues	Amount ₹ in lacs	Period to which Amount Relates	Forum where dispute is pending	Amount Deposited ₹ in lacs
Haryana Value Added Tax Act, 2003	VAT/CST	5.24	2003-2004	High Court of Punjab and Haryana, Chandigarh	5.24
Haryana Value Added Tax Act, 2003	VAT/CST	13.49	2004-2005	High Court of Punjab and Haryana, Chandigarh	13.47
Haryana Value Added Tax Act, 2003	VAT	00.61	2004-2005	Haryana Tax Tribunal Chandigarh	0.00
Haryana Value Added Tax Act, 2003	VAT/CST	15.73	2005-2006	High Court of Punjab and Haryana, Chandigarh	16.44
Haryana Value Added Tax Act, 2003	VAT	1.18	2008-2009	Joint Excise and Taxation Commissioner (Appeal) Rohtak	0.00

10. The Company does not have accumulated losses at the end of the financial Year and has not incurred cash losses during the financial year and in the immediately preceding financial year.

11. Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution and bank.
12. In our opinion and according to the explanations given to us and based on the information available, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and accordingly the provision of clause (xii) of paragraph 4 of the order is not applicable to the company.
13. In our opinion, the Company is not a chit fund/ nidhi/ mutual benefit fund / society. Therefore, the provision of clause (xiii) of paragraph 4 of the order is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investment. Therefore the provision of clause (xiv) of paragraph 4 of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or financial institutions, terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. The Company has raised fresh term loans during the year. The term loan outstanding at the beginning of the year and those raised during the year has been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on overall examinations of the Balance Sheet of the Company, we are of the opinion that no funds raised on short- term basis have been used for long-term investments.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issue debentures. Therefore the provision of clause (xix) of paragraph 4 of the order is not applicable.
20. The Company has not raised any monies by way of public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us no material fraud on or by the company was noticed or reported during the year.

**For GSK & Associates
Chartered Accountants
(Registration No. 013838N)**

Sd/-

**Anil Somani
(Partner)**

Membership No. 93521

**Place : New Delhi
Date : 28.07.2012**

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	53568000	53568000
(b) Reserves and Surplus	2	170476485	142174287
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	54491969	83536513
(b) Deferred Tax Liability (Net)	4	28924362	29912250
(3) Current Liabilities			
(a) Short-Term Borrowings	5	146685392	154929282
(b) Trade Payables	6	180927472	236384398
(c) Other Current Liabilities	7	54032310	53975635
(d) Short-Term Provisions	8	40259932	29435089
Total (Equity & Liabilities)		729365921	783915454
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		250338644	250624400
(ii) Intangible Assets		518774	0
(ii) Capital Work-in-Progress		0	11468983
(b) Non Current Investments	10	137617	137617
(c) Long Term Loans and Advances	11	1487800	1487800
(2) Current Assets			
(a) Inventories	12	205591310	281575787
(b) Trade Receivables	13	188361155	152135144
(c) Cash and Cash Equivalents	14	21746954	23217804
(d) Short-Term Loans and Advances	15	58416094	59228268
(e) Other Current Assets	16	2767573	4039650
Total (Assets)		729365921	783915454

 Significant Accounting Policies &
 Notes on Financial Statements

1 to 37

As per our report of even date

For GSK & Associates
Chartered Accountants
 FRN No. 013838N

Sd/-

Anil Somani
 (Partner)

Membership No. 93521

For & on behalf of the Board of Directors

Sd/-

Ravinder Mohan Juneja
 (Managing Director)

Sd/-

Deepak Arneja
 (Managing Director)

Sd/-

Sunil Mishra
 (GM (Finance & Taxation))

Sd/-

Madhu Kaushik
 (Company Secretary)

 Place : New Delhi
 Date : 28.07.2012

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Note	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
Continuing Operations			
Revenue from operations	17	928561674	753765344
Other Income	18	2212860	2001162
Total Revenue		930774534	755766506
Expenses:			
Cost of Materials Consumed	19	388246419	363176965
Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade	20	49438706	(3325621)
Employee Benefits Expense	21	102985453	85700930
Finance Costs	22	40908061	38287874
Depreciation and Amortization Expense	23	32711597	29458685
Other Expenses	24	259693145	203727827
Total Expenses		873983382	717026660
Profit Before Tax		56791152	38739846
Tax expense:			
Current Tax		18300000	12157113
Deferred Tax		(987888)	5039619
Profit From the Continuing Operations		39479040	21543114
Earning Per Equity Share of Face Value ₹ 10/- each Basic & Diluted	28	7.37	4.02
Significant Accounting Policies & Notes on Financial Statements	1 to 37		

As per our report of even date

For GSK & Associates
Chartered Accountants
FRN No. 013838N

Sd/-
Anil Somani
(Partner)

Membership No. 93521

Place : New Delhi
Date : 28.07.2012

For & on behalf of the Board of Directors

Sd/-
Ravinder Mohan Juneja
(Managing Director)

Sd/-
Sunil Mishra
(GM (Finance & Taxation))

Sd/-
Deepak Arneja
(Managing Director)

Sd/-
Madhu Kaushik
(Company Secretary)

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 1 SHARE CAPITAL		
AUTHORIZED SHARE CAPITAL		
6500000 Equity Shares of ₹ 10/- each. (P.Y. 6500000 Equity Shares of ₹ 10/- each)	65000000	65000000
	<u>65000000</u>	<u>65000000</u>
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
5356800 Equity Shares of ₹ 10/- each, Fully paid up (P.Y. 5356800 Equity Shares of ₹ 10/- each fully paid up)	53568000	53568000
Total in ₹	<u>53568000</u>	<u>53568000</u>
a) The Reconciliation of the Number of Equity Shares		
	In Nos	In Nos
Opening Equity Shares	5356800	5356800
Add :- Shares issued during the Year	-	-
Less :- Buy Back During the Year	-	-
Closing Equity Shares	5356800	5356800
b) Terms/rights attached to equity shares		
<p>The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in ₹. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>During the year ended 31 March 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1.50/- (31 March 2011 ₹ 0.75/-)</p> <p>In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		
c) List of Share Holders Holding more than 5% Shares (In Nos)		
	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
Name of Shareholders	In Nos	In Nos
Mr. Deepak Arneja	409700	266800
No of Shares (% of Shares held)	7.65	5.00
Mr. Ravinder Mohan Juneja	473500	302400
No of Shares (% of Shares held)	8.84	5.65
Mr. Anurag Arneja	332100	332100
No of Shares (% of Shares held)	6.20	6.20
Mr. Ranbir Singh Narang	324700	309700
No of Shares (% of Shares held)	6.06	5.78

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Name of Shareholders		In Nos	In Nos
Mr. Mukesh Arneja	No of Shares	277100	216700
	(% of Shares held)	5.17	4.05
Mr. Sudhir Arneja	No of Shares	271000	200800
	(% of Shares held)	5.06	3.75
Mrs. Kanta Devi	No of Shares	343800	228800
	(% of Shares held)	6.42	4.27
Mr. Gagan Soni	No of Shares	313400	313400
	(% of Shares held)	5.85	5.85

d) As per the records of the company, including its shareholder/members and other declaration received from shareholders regarding beneficial interest, the above shareholders represents both legal and beneficial ownership of shares.

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 2 RESERVES & SURPLUS		
Capital Reserve		
Balance at the end of the year	2074340	2074340
General Reserve		
As per Last Financial Statement	11000000	10000000
Add : Amount Transferred from the Statement of Profit & Loss	2000000	1000000
Less : Utilised during the year	0	0
Balance at the end of the year	13000000	11000000
Surplus in the Statement of Profit & Loss		
As per Last Financial Statements	120790553	105005234
Add : Profit for the Year	39479040	21543114
Less : Adjustment of Previous Year Income Tax	(1838132)	(88440)
Less : Appropriations		
- Proposed Dividend on Equity Shares (Dividend per Share ₹ 1.50/- (P.Y. ₹ 0.75)	8035200	4017600
- Tax on Dividend	1303510	651755
- Transfer to General Reserve	2000000	1000000
Net Surplus in the Statement of Profit & Loss	147092751	120790553
Other Reserves		
Sales Tax Exemption	8309394	8309394
Total reserve & surplus in ₹	170476485	142174287

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Non Current Portion		Current Maturities	
	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE: 3 LONG TERM BORROWINGS				
A) Secured Term Loans				
- From Bank				
Indian Rupee Loan*	27569957	38148063	23227806	27036758
Foreign Currency Loan*	-	14230296	16289856	-
- From Others				
Indian Rupee Loan*	695712	5923197	438706	4326507
B) Unsecured Term Loans				
- From Bank				
	26226300	-	664600	2684665
- From others				
	-	25234957	-	5779736
Total in ₹	54491969	83536513	40620968	39827666
Less : Amount disclosed under the head Other Current Liabilities (Refer Note No. 7)			40620968	39827666
Net Current Liabilities	54491969	83536513	-	-

a) *Term Loans including Foreign currency loans are secured by the first mortgage/charge of land, building, plant & machinery & other fixed assets and personal guarantee by the directors of the company. The Vehicles loans are secured by hypothecation of respective vehicles.

b) Repayment profile of Term Loan is listed below :-

Rate of Interest	Bank/Loan A/c No.	Nature of Loan	No. of Installments (w.e.f. 01.04.2012)	Inst. ending on
13.00%	KBL/5467001609912501	Term Loan	6 (Quarterly)	September,2013
13.00%	KBL/5467001609913901	Term Loan	5 (Quarterly)	June,2013
13.50%	KBL/5467001609915501	Term Loan	8 Quarterly)	March,2014
13.25%	KBL/5467001609917601	Term Loan	36 (Monthly)	March,2015
14.50%	KBL/5467001609920701	Term Loan	18 Quarterly)	October,2016
11.75%	TATA MOTORS/5000467866	Term Loan	7 (Monthly)	October,2012
11.75%	TATA MOTORS/5000928666	Term Loan	36 (Monthly)	April,2015
8.51%	MARUTI UDYOG/VDEO 13821-23	Term Loan	32 (Monthly)	November,2014
9.05%	ICICI/LADEL00017637870	Term Loan	35 (Monthly)	February,2015
12.50%	ICICI/LADEL00023295733	Term Loan	45 (Monthly)	December,2015
10.60%	ICICI/LADEL00023884595	Term Loan	37 (Monthly)	April,2015
12.50%	Axis/LPR012600414244	Term Loan	178 (Monthly)	December,2026

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 4 DEFFERED TAX LIABILITY (NET)		
Deffered Tax Liability		
Related to Fixed Assets	28924362	29912250
Total in ₹	<u>28924362</u>	<u>29912250</u>
PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 5 SHORT TERM BORROWINGS		
Loan Repayable on Demand		
Secured		
Working Capital Facilities From Bank	144185392	141429282
Unsecured		
Loans From Related Parties	0	11000000
(Refer Note 27)		
Loan & Advances from Others	2500000	2500000
Total in ₹	<u>146685392</u>	<u>154929282</u>
<p>Note: Working Capital Facilities and Packing Credit Facilities from Karnataka Bank Ltd. are secured by hypothecation of present and future stock of raw material stock, stock-in-process, finished goods, stores & spares stock, book debts, outstanding monies, receivables, claims, bills etc. and personal guarantee by the directors of the company. The outstanding balance is repayable on demand and carries interest ranging between 12% to 14%</p>		
PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 6 TRADE PAYABLES		
Micro, Small & Medium Enterprises	0	0
Material/Supplies	166937456	224710429
Others	13990016	11673969
Total in ₹	<u>180927472</u>	<u>236384398</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
Principal amount due and remaining unpaid	0	0
Interest due on above and the unpaid interest	0	0
Interest paid	0	0
Payment made beyond the appointed day during the year	0	0
Interest due and payable for the period of delay	0	0
Interest accrued and remaining unpaid	0	0
Amount of further interest remaining due and payable in succeeding years	0	0

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
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NOTE : 7 OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Borrowings (Refer Note No. 3)	40620968	39827666
Interest Accrued & Due on Borrowings	1271446	1335513
Interest Accrued But Not Due on Borrowings	585916	1134943
Unclaimed Dividend	802322	1209481
Sundry Creditors for Capital Expenditures	1489355	1630799
Trade Advances	345807	315410
Other Payables		
Statutory Dues	668086	677863
Salary, Wages, Bonus & Allowances	7975173	7605011
Provident Fund, ESI & Other Funds	273237	238949
Total in ₹	54032310	53975635

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
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NOTE : 8 SHORT TERM PROVISIONS

Provision for Income Tax	18300000	12157113
Proposed Dividend	8035200	4017600
Dividend Distribution Tax	1303510	651755
Provision For Wealth Tax	26642	0
Provision for Expenses*	12594580	12608621
Total in ₹	40259932	29435089

*Note :- Provision for Expenses includes provision of Excise Duty on Inventory of Finished Goods & Scrap Amounting ₹ 6530319/-(P.Y. ₹ 5256590/-)

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012
NOTE- 9 : FIXED ASSETS

Particulars	Gross Block			Depreciation & Amortisation			Net Block			
	Value at the beginning of the year	Addition/Adjustment during the year	Deduction/Adjustment during the year	Value at the end of the year	Value at the beginning of the year	Addition/Adjustment during the year	Deduction/Adjustment during the year	Value of the end of the year	As at 31-03-2012	As at 31-03-2011
OWN ASSETS										
TANGIBLE ASSETS										
Industrial Freehold Land	5896898	0	0	5896898	0	0	0	0	5896898	5896898
Leasehold Office Premises	5858863	0	0	5858863	608755	95499	0	704254	5154609	5250108
Factory Building	63424366	1333534	0	64757900	13957677	2150483	0	16108160	48649740	49466689
Plant & Machinery Equipments	340723057	27949161	0	368672218	174861002	27030512	0	201891514	166780704	165862055
Pollution Control Equipments	5531360	236844	0	5768204	2081918	421019	0	2502937	3265267	3449442
Furniture & Fixtures	6053894	264319	0	6318213	2439054	408520	0	2847574	3470639	3614840
Vehicle(Car)	20839092	3209120	1971646	22076566	6355076	2130121	699759	7785438	14291128	14484016
Office Equipments	3530848	252578	0	3783426	1843284	167323	0	2010607	1772819	1687564
Computers	5098757	317292	0	5416049	4185969	173240	0	4359209	1056840	912788
SUB TOTAL (A)	456957135	33562848	1971646	488548337	206332735	32576717	699759	238209693	250338644	250624400
INTANGIBLE ASSETS										
Computer Software	0	653654	0	653654	0	134880	0	134880	518774	0
SUB TOTAL (B)	0	653654		653654	0	134880	0	134880	518774	0
Total [A + B] (Current Year)	456957135	34216502	1971646	48201991	206332735	32711597	699759	238344573	250857418	250624400
(Previous Year)	448607433	8394422	44720	456957135	176911105	29816765	395135	206332735	250624400	271696328
Capital Work-in-progress	11468983	0	11468983	0	0	0	0	0	0	11468983
SUB TOTAL (B)	11468983	0	11468983	0	0	0	0	0	0	11468983

NOTE:

1. Depreciation has been provided on rates as per Schedule VI of Companies Act, 1956 on Straight Line Method
2. Depreciation on Assets for a value not exceeding Rs. 5000/- has been provided @ 100% for the year.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 10 NON CURRENT ASSETS		
Other Investments (Valued at Cost unless stated Otherwise)		
Investment in Equity Instruments (Quoted)		
1800 Equity Shares of ₹ 10/- (1800) each and premium ₹ 35/- each in Bank of India (Fully Paid)	81000	81000
600 Equity Shares of ₹ 10/- each in (600) Sterling Tools Limited (Fully Paid)	24891	24891
400 Equity Shares of ₹ 1/- each in (400) Sundram Fasteners Limited (Fully Paid)	18904	18904
150 Equity Shares of ₹ 10/- each in (150) Lakshmi Precision Screws Ltd. (Fully Paid)	2822	2822
	<u>127617</u>	<u>127617</u>
(Unquoted)		
1000 Equity Shares of ₹ 10/- (1000) each in Elegant Footwear Ltd. (Fully paid up)	10000	10000
	<u>10000</u>	<u>10000</u>
Total in ₹	<u><u>137617</u></u>	<u><u>137617</u></u>
Note :-		
1. All Investments are Long Term Investments		
2. Aggregate Value of Quoted Investment		
Book Value	127617	127617
Market Value	745555	954555
3. Aggregate Value of Unquoted Investment		
Book Value	10000	10000
Market Value	-	-
Note : Figures in () are in respect of previous year		
PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 11 LONG TERM LOANS AND ADVANCES (Unsecured, considered good)		
Security Deposits	1487800	1487800
Total in ₹	<u><u>1487800</u></u>	<u><u>1487800</u></u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 12 INVENTORIES		
Raw Material	56562519	74408894
Work-in-Progress	36985050	85511109
Finished Goods	51301794	51190838
Consumables,Stores, Spares & Packing Material	47006889	58356903
Scrap	100675	1124278
Goods-in-Transit	13634383	10983764
Total in ₹	205591310	281575787
Note 1. :- Goods in Transit includes the followings :-		
Raw Material	10224186	7842714
Consumables,Stores, Spares & Packing Material	2103148	3047802
Tool & Dies	1307049	93248
Total Goods in Transit	13634383	10983764
Note 2. :- Inventories lying with third parties are subject to confirmation. The details are as follows:-		
Raw Material	11.21 Lacs	19.63 Lacs
Semi Finished Goods	4.54 Lacs	49.86 Lacs
PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 13 TRADE RECEIVABLES		
(Unsecured , Considered good)		
Outstanding for more than six months	4662100	8908677
Others	183699055	143226467
Total in ₹	188361155	152135144
PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 14 CASH & CASH EQUIVALENTS		
Cash on Hand	292853	213057
Cheques on Hand	298390	0
Balances with Banks (Current Account)	2013938	495266
Balances with Banks (Unpaid Dividend Account)	802322	1209481
Fixed Deposit with Bank	18339452	21300000
Total in ₹	21746954	23217804
Note:-		
a) Fixed Deposits Amounting to ₹ 18339452/- (P.Y. ₹ 21300000/-) pledged with bank as Margin Money for Letter of Credit issued by them.		
b) Fixed Deposit with bank includes deposits of ₹ 135.45 Lacs (Previous year ₹ 130.00 Lacs) with maturity of more than 12 months.		

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 15 SHORT TERMS LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advance to Suppliers	444633	0
Advance to Employees	1026508	540998
Advance Income Tax (Including TDS ₹ 176450/- P.Y. 157113/-)	17176450	10157113
Balance With Revenue Authorities	39366572	48259112
Security Deposits	199173	271045
Advance to Others	202758	0
Total in ₹	<u><u>58416094</u></u>	<u><u>59228268</u></u>
PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE :16 OTHER CURRENT ASSETS		
Interest Accrued But Not Yet Due	238333	271782
Prepaid Expenses	635231	1742638
Other Current Assets	1894009	2025230
Total in ₹	<u><u>2767573</u></u>	<u><u>4039650</u></u>
PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE :17 REVENUE FROM OPERATIONS		
a) Sale of Products		
Finished Product (Bolts & Screws)	910853557	768384158
	<u>910853557</u>	<u>768384158</u>
b) Other Operating Revenue		
Steel & Scrap Sale	20904062	7496893
Duty Drawback & Other Export Incentives	45827797	37671578
Exchange Rate Difference (Net)	10722883	7799800
(Including Gain on Forward Exchange Contract)		
	<u>77454742</u>	<u>52968271</u>
Less: Excise Duty	59746625	67587084
Total in ₹	<u><u>928561674</u></u>	<u><u>753765344</u></u>
Note : Excise Duty on sales amounting to ₹ 59746625/- (P.Y. ₹ 67587084/-) has been reduced from sales in profit & loss account.		

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 18 OTHER INCOME		
Interest on		
- Fixed Deposits	1769453	1595578
- Others	320047	0
Dividend Income on Long Term Investments	16345	14370
Misc. Income	107015	391214
Total in ₹	2212860	2001162
NOTE : 19 COST OF MATERIAL CONSUMED		
Inventory at the Beginning of the Year	74408894	40638981
Purchase of Wire Rods	370400044	396946879
	444808938	437585860
Inventory at the End of the Year	56562519	74408894
Total in ₹	388246419	363176965
NOTE : 20 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE		
Inventory at the Beginning of the Year		
Finished Goods	51190838	73338559
Work In progress	85511109	60835955
Scrap	1124278	326091
	137826226	134500605
Inventory at the End of the Year		
Finished Goods	51301794	51190838
Work In progress	36985050	85511109
Scrap	100675	1124278
	88387519	137826226
(Increase)/Decrease in Inventory	49438706	(3325621)

Note : Excise Duty on Increase/Decrease in Inventory of Finished Goods & Scrap amounting to ₹ 1273729/- (P.Y. ₹ 1830199/-) has been considered as Income/Expenses in Profit & Loss account in Note 24 of Financial Statement.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	As at 31st March, 2012 Amount (₹)	As at 31st March, 2011 Amount (₹)
NOTE : 24 OTHER EXPENSES		
Consumption of Stores & Spare Parts	99082962	63514549
(Increase)/Decrease in Excise Duty	1273729	(1830199)
Power & Fuel Consumed	53012804	57725066
Factory Building Maintenance	735309	412722
Repair & Maintenance to Plant & Machinery	6693468	2734450
Insurance Expenses	2070261	2117062
Rates, Taxes & Duties	707582	1050581
Job Work Expenses	19993347	11042467
Packing Material Consumed	20089481	17882750
Freight Outward	25998293	23883510
Rebate & Discount	15017875	13017930
Loss on Sale of Fixed Assets	131887	0
Payment to Auditors*	235296	163506
Miscellaneous Expenses	14650851	12013433
Total in ₹	259693145	203727827
*Note :- Payment to Auditors		
As Auditor		
- Statutory Audit Fees	120000	85000
- Tax Audit Fees	30000	20000
- For Certification Fees	20000	10000
- For Reimbursement of Expenses	65296	48506
	235296	163506

NOTE: 25 SIGNIFICANT ACCOUNTING POLICIES**25.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS****(A) BASIS OF ACCOUNTING**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

(B) USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

(C) PRESENTATION AND DISCLOSURES IN FINANCIAL STATEMENTS

During the year ended 31st March, 2012, the revised Schedule VI notified under the companies Act, 1956, has become applicable to Company for the preparation and presentation of its financial statement. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has reclassified the previous year's figures in accordance with the revised Schedule VI as applicable in the current year.

25.2. TANGIBLE AND INTANGIBLE ASSETS**(A) TANGIBLE FIXED ASSETS**

All the tangible assets are stated at Cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any. All costs including financing costs till commencement of commercial production and costs directly related to the acquisition and installation of the fixed assets, wherever applicable and adjustment arising from exchange rate variations attributable to fixed assets, have been capitalised. Profit or Loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

(B) INTANGIBLE ASSETS

All the intangible assets are stated at Cost net of recoverable taxes, less accumulated amortization/depletion and impairment loss, if any. All costs, including financing costs till commencement of commercial production and adjustments arising from exchange rate variations attributable to the intangible assets are capitalised. Profit or Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

25.3. DEPRECIATION AND AMORTIZATION

Depreciation is provided on the Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 over their useful life expected. Assets costing ₹ 5,000/- or less are fully charged to the Statement of Profit and Loss in the year of acquisition.

25.4. IMPAIRMENT OF ASSETS

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

25.5. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each Balance Sheet date.

Non monetary foreign currency items are carried at cost.

Any income or expenses on accounts of exchange difference either on settlement or on translation is recognised in the profit and loss account.

In case of forward exchange contracts, forward exchange contracts are not intended for trading or speculation purposes. The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit and loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for that year.

25.6. INVESTMENTS

Current investments are carried at the lower of cost or quoted/fair value, computed category wise. Long term investments are stated at cost. Provisions for diminution in the value of long investments are made only if such a decline is other than temporary. However, all the investments are classified as Long Term Investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. Profit or loss on sale of investments is determined on a first-in-first-out (FIFO) basis.

25.7. VALUATION OF INVENTORIES

In determining cost of raw materials, packing materials, stock-in-trade, stores, components, spares and consumables, FIFO method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Raw Material, Spares parts & Consumables and Goods in Transit are valued at cost.

Work-in-Progress is valued at cost or net realizable value, whichever is less.

Finished goods are valued at cost or net realizable value whichever is less.

Scraps are valued at net realizable value.

25.8. REVENUE RECOGNITION

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer.

The amounts recognised as sale is exclusive of sales tax/VAT and are net of returns. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover.

The excise duty related to the difference between the closing stock and opening stock is recognised separately.

Export Sales are recognized on the basis of sales invoices raised and removal of goods from the factory premises. Export benefits are recognized on post shipment basis. However export benefit under Duty Exemption Pass Book schemes (DEPB) & other export benefits are accrued in the year of export.

The revenue and expenditure are accounted on a going concern basis.

Interest income is recognized using the time proportion method based on the rates implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established.

25.9. EMPLOYEE BENEFITS

- i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and Loss account of the year in which the related services is rendered.

- ii) Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. The scheme is maintained and administered by an insurer to which the trustees make periodic contributions.
- iii) Actuarial gains and losses in respect of past employment and other long term benefits are charged to the Statement of Profit & Loss Account.

25.10. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue profit & loss accounts.

25.11. FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTIONS

In respect of derivative contracts, premium paid, gains/losses on settlement are recognized in the Statement of Profit & Loss account, except in case where they relate to borrowing costs that are attributable to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

25.12. CURRENT AND DEFERRED TAX

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period, the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.

The differences that result between the profit offered for income taxes and the profits as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one account period and reverse in another, based on the tax effect of the aggregate amount being considered.

The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is a reasonable certainty that they will be realized in future.

25.13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the financial statements.

25.14. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with accounting policies of the company. Revenue, expenses, Assets and liabilities have been identified to segments on the basis of their relationship to operating activities of the segments. Revenues, Expenses, assets and Liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "Common Revenue/Expenses/assets/liabilities", as the case may be.

25.15. EARNINGS PER SHARE

Basic earnings per share are disclosed in the Statement of Profit & loss Account. Basic earnings per shares is computed and disclosed using the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

25.16. PROPOSED DIVIDEND

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting.

NOTE: 26

CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

- a) Liabilities on account of foreign letter of credit are ₹ 273.16Lacs (Previous year ₹ 152.30 Lacs).
- b) For the Assessment Year 2008-09, Deputy Excise & Taxation Commissioner, Rohtak disallowed an Input Tax Credit of ₹ 1.18 Lacs and the appeal is pending before Jt. Excise & Taxation Commissioner (Appeal) Rohtak.
- For the Assessment Year 2005-06, Haryana Tax Tribunal, Chandigarh raised a demand of ₹ 15.73 Lacs and the appeal is pending before the High Court of Punjab & Haryana and the amount of ₹ 16.44 Lacs has been deposited.
- For the Assessment Year 2004-05, Haryana Tax Tribunal, Chandigarh raised a demand of ₹ 13.49 Lacs and the appeal is pending before the High Court of Punjab & Haryana and the amount of ₹ 13.47 Lacs has been deposited.
- For the Assessment Year 2004-05, Jt. Excise & Taxation Commissioner (Appeal) Rohtak disallowed an Input Tax Credit of ₹ 0.61 Lacs and the appeal is pending before the Haryana Tax Tribunal, Chandigarh.
- For the assessment year 2003-04, Haryana tax Tribunal, Chandigarh raised a demand of ₹ 5.24 Lacs and the appeal is pending before the High Court of Punjab & Haryana and amount of ₹ 5.24 Lacs has been deposited against the demand.
- c) Estimated amount of contract remaining to be executed on capital account are NIL during the year (Previous year ₹ 116.73 Lacs).
- d) Outstanding Bank Guarantee of ₹ 8.68 Lacs.

NOTE: 27

RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD 18

- a) **Parties where control exists:** NIL
- b) **Other parties with whom the company has entered into transactions during the year:-**
- i) **Key Management Personnel**
- | | | |
|---------------------------|---|-------------------------|
| Mr. Deepak Arneja | - | Managing Director & CEO |
| Mr. Ravinder Mohan Juneja | - | Managing Director |
| Mr. Sudhir Arneja | - | Whole-Time Director |
- ii) **Relatives of Key Management Personnel**
- | | | |
|--------------------|---|----------------------------------|
| Mr. Dheeraj Juneja | - | Son of Mr. Ravinder Mohan Juneja |
| Mr. Prateek Arneja | - | Son of Mr. Sudhir Arneja |
- iii) **Enterprises over which key management personnel and relatives of such personnel exercise significant influence:-**
- Evergreen Consultants Pvt. Ltd.
Mohindra Sales Pvt. Ltd.

c) Related Party Transactions:-

(Amount in ₹)

Nature of Transaction	Key Management Personnel & Relatives	Enterprises over which key management & Personnel and Relatives of such personnel exercise significant influence	Total
Loans	2200000 (1500000)	4000000 -	6200000 (1500000)
Interest	- -	748175 (902500)	748175 (902500)
Remuneration	6774999 (6002230)	- -	6774999 (6002230)
Balance Outstanding as at the end of the year:-			
Loans Payable	- (1500000)	- (9500000)	- (11000000)
Remuneration Payable	920299 (822930)	- -	920299 (822930)

Previous year figures have been given in brackets.

NOTE: 28**The Computation of Earnings per Share: -**

	Current Year	Previous Year
Profit after tax for the year (₹)	39479040	21543114
Weighted Average Number of Equity shares	5356800	5356800
Basic & Diluted Earnings per share	7.37	4.02
Face Value of equity share (₹)	10.00	10.00

NOTE: 29**Disclosure in respect of Derivative Instruments:-**

a) Derivates Instruments (Forward Exchange Contract) entered into by the Company and outstanding as on 31st March, 2012 amount to EURO 900000 for sell in ₹ 613.70 Lacs (Previous Year NIL). All the instruments have been acquired for hedging purpose and not for trading or speculative purpose.

b) Foreign currency exposures that are not hedged by derivative instruments as at 31 March, 2012:-

Particulars	USD	EURO	GBP
Import Trade Payables	804898.79 (1373139.49)	215727.39 (47631.98)	- -
Export Trade Receivables	480548.15 (133336.55)	- (373397.10)	153065.99 (283903.57)
Loan (ECB)	316800 (316800)	- -	- -

Previous year figures have been given in brackets.

NOTE: 30

As per Accounting Standard 15 "Employee Benefits", disclosures of Employee benefits as defined in Accounting Standard are given below:

Defined Contribution Plan:

Contributions to Defined Contribution plan, recognized as expense for the year are as under:- (₹ in thousands)

	2011-2012	2010-2011
Employer's Contribution to Provident Fund and Pension scheme	2046.26	1854.65

Defined Benefit Plan: Gratuity

The employees' gratuity scheme managed by a Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognize each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(i) Reconciliation of Opening and closing balances of Defined Benefit Obligation. (₹ in thousands)

	Gratuity	
	2011-2012	2010-2011
Defined Benefit Obligation at the beginning of the year	4678	4388
Service cost	1755	695
Interest cost	-	-
Actuarial (gain)/loss	147	(290)
Benefits paid	(901)	(115)
Defined Benefit Obligation at the year end	5679	4678

(ii) Reconciliation of opening and closing balances of fair value of plan assets (₹ in thousands)

	Gratuity	
	2011-2012	2010-2011
Fair value of Plan Assets at the beginning of the year	4716	3852
Expected return on plan assets	413	349
Actuarial gain/loss	-	-
Employer contribution	1755	630
Benefits paid	(901)	(115)
Fair value of plan assets at year end	5983	4716

(iii) Reconciliation of fair value of Assets and obligations (₹ in thousands)

	Gratuity As at 31st March	
	2011-2012	2010-2011
Fair value of plan assets	5983	4716
Present value of obligation	5679	4678
Amount recognized in Balance sheet	304	38

(iv) Expense recognized during the year

(₹ in thousands)

	Gratuity	
	2011-2012	2010-2011
Service cost	1755	695
Interest cost	-	-
Expected return on plan	(413)	(349)
Actuarial (Gain)/loss	147	(290)
Net Cost	1489	56

v) Details of Investment for employees' gratuity fund scheme managed by a LIC are not available with the Company.

Actuarial assumptions

(₹ in thousands)

	Gratuity	
	2011-2012	2010-2011
Mortality table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8%	8 %
Expected rate of return on plan assets (per annum)	9.15%	9.15%
Rate of escalation in salary (per annum)	6%	6 %

The estimates of rate of escalation in salary is considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors mainly, the composition of plan assets held, assessed risks, historical result of return on plan assets and the Company's policy for plan asset management.

NOTE: 31

Value of imported and indigenous Raw Material, Store and Spare parts and packing material consumed and percentage of each to the total consumption as Certified by the management:-

Item	Current Year		Previous Year	
	Value (₹)	% age	Value (₹)	% age
Raw Material				
Raw Material Imported	118123975	30.43	109658751	30.19
Indigenous	270122444	69.57	253518214	69.81
	388246419	100.00	363176965	100.00
Stores, Spare parts and Packing Material				
Imported	8446841	7.09	9685896	11.90
Indigenous	110725602	92.91	71711403	88.10
	119172443	100.00	81397299	100.00

NOTE: 32**C.I.F. Value of Imports**

	Current Year (₹)	Previous Year (₹)
Plant & Machinery	17069253	10740510
Raw Material	103100426	116646012
Consumables, Stores & Spares	1897147	1614009
Packing Material	2291533	4907528
Tool & Dies	2667559	4529323

NOTE: 33**Expenditure in Foreign Currency**

	Current Year (₹)	Previous Year (₹)
- Travelling Expenses	431304	511836
- Discount Expenses	7917672	1882528
- Advertisement & Publicity exp.	-	415744
- Freight Outward	96435	295203
- Interest on ECB	827118	1748549
- Bank Charges	1232157	948805

NOTE: 34**Earning in Foreign Currency**

	Current Year (₹)	Previous Year (₹)
Exports at FOB Value	485851323	315944128

NOTE: 35**Segment Reporting**

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.

The company is operating in a single business segment and as such all business activities revolve around this segment. Hence, there is no separate secondary segment to be reported considering the requirement of AS 17 on Segment Reporting.

The Company has disclosed Geographic Segment as the primary segment considering the different

The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

The company believes that it is not practical to allocate segment expenses, segment results, fixed assets, used in the company's business or liabilities contracted since the resources/services/assets are used interchangeably within the segments. Accordingly, no disclosure relating to same is made.

Geographic segments of the Company are Europe, India and Rest of the world.

Europe includes continental Europe, Germany, France, UK, Belgium, Italy, Netherland, Switzerland, Poland, Finland, Romania & Austria and the Rest of the World comprising all other places (primarily Canada, USA & Australia) except those mentioned above and India.

Information about Geographic Segment

Information of geographic segment is based on the geographical location of the customers.

(₹ in Lacs)

Particulars	Europe	India	Rest of the World	Total
Segment Revenue				
Sales to External Customers	4339.79	3779.92	600.40	8720.11
Other Operating income	(3018.12)	(3831.09)	(233.73)	(7082.94)
Other income (net)				565.51
				(454.71)
				22.13
				(20.01)
Total Revenue				9307.75
Unallocable expenses				(7557.67)
Profit before tax				8739.83
Tax expense				(7170.27)
				567.91
				(387.40)
				173.12
				(171.97)
Profit for the year				394.79
				(215.43)
Segment Assets				
Unallocable Assets	645.36	1116.77	121.48	1883.61
	(463.10)	(1024.04)	(34.21)	(1521.35)
				5410.05
Total assets				(6317.80)
				7293.66
Segment Liabilities				(7839.15)
Unallocable liabilities	759.68	577.07	105.10	1441.85
	(835.30)	(514.30)	(64.69)	(1414.29)
				3611.36
Total liabilities				(4467.44)
				5053.21
Other information				(5881.73)
Capital expenditure (unallocable)				227.48
Depreciation (unallocable)				
				327.12

Previous year figures have been given in brackets.

NOTE: 36

Balances of Trade & other receivables, loans & advances, current liabilities and Trade & other payables are subject to confirmation.

NOTE: 37

The previous year's figures have been re-grouped / re-classified to conform to this year's classification which is as per Revised Schedule VI. This adoption does not impact recognition and measurement principles followed for preparation of financial statements as at 31st March, 2011.

As per our report of even date

For GSK & Associates
Chartered Accountants
FRN No. 013838N

Sd/-
Anil Somani
(Partner)
Membership No. 93521

Place : New Delhi
Date : 28.07.2012

For & on behalf of the Board of Directors

Sd/-
Ravinder Mohan Juneja
(Managing Director)

Sd/-
Sunil Mishra
(GM (Finance & Taxation))

Sd/-
Deepak Arneja
(Managing Director)

Sd/-
Madhu Kaushik
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	For the Year ended 31st March, 2012 Amount (₹)	For the Year ended 31st March, 2011 Amount (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before extraordinary items and tax	56791152	38739846
<i>Adjustments for:</i>		
Depreciation and amortisation	32711597	29458685
(Profit) / loss on sale / write off of assets	131887	(2335)
Finance costs	40908061	38287874
Interest income	(2089500)	(1595578)
Dividend income	(16345)	(14370)
	128436852	104874122
Operating profit / (loss) before working capital changes		
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	77258206	(47732615)
Trade & Other receivables	(27122423)	(19396722)
Adjustments for increase / (decrease) in operating liabilities:		
Trade & Other payables	(57047522)	50914811
	121525113	88659596
Cash generated from operations	(21008197)	(10525675)
Net income tax (paid)	100516916	78133921
Net cash generated from operating activities (A)		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets	(22747519)	(19863405)
Proceeds from sale of fixed assets	1140000	10000
Interest received	2089500	1595578
Dividend received	16345	14370
	(19501674)	(18243457)
Net cash used in investing activities (B)		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	40716000	40995000
Repayment of Long Term Borrowings	(68967242)	(49426215)
Short Term Borrowings (Net)	(8243890)	(3976459)
Finance costs paid	(40908061)	(38287874)
Dividends paid	(4424760)	(2520875)
Tax on dividend paid (including interest on same)	(658140)	(444849)
	(82486093)	(53661272)
Net cash used in financing activities (C)		
Net decrease in Cash and cash equivalents (A+B+C)	(1470850)	6229191
Cash and cash equivalents at the beginning of the year	23217804	16988613
Cash and cash equivalents at the end of the year*	21746954	23217804

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing operations.
- (ii) All figures in brackets are outflows / decrease.
- (iii) Previous years figures have been regrouped/restated wherever necessary.
- (iv) *Cash and Cash equivalents are cash and bank balances as mentioned in Note 14.

As per our report of even date

For GSK & Associates
Chartered Accountants
FRN No. 013838N

Sd/-

Anil Somani
(Partner)

Membership No. 93521

For & on behalf of the Board of Directors

Sd/-

Ravinder Mohan Juneja
(Managing Director)

Sd/-

Deepak Arneja
(Managing Director)

Sd/-

Sunil Mishra
(GM (Finance & Taxation))

Sd/-

Madhu Kaushik
(Company Secretary)

Place : New Delhi
Date : 28.07.2012