

# 24<sup>TH</sup> ANNUAL REPORT

FOR THE YEAR ENDED  
31<sup>ST</sup> March, 2018



**mfl**  
FASTENING REDEFINED

**MOHINDRA FASTENERS LIMITED**

A Reliable Partner for High Tensile Fasteners



## MOHINDRA FASTENERS LIMITED

Reg. Office: 304 GUPTA ARCADE, INDER ENCLAVE,  
DELHI-ROHTAK ROAD, DELHI- 110087

CIN: L74899DL1995PLC064215

Website: [www.mohindra.asia](http://www.mohindra.asia) E-mail: [cs@mohindra.asia](mailto:cs@mohindra.asia)

### 24<sup>TH</sup> (TWENTY FOURTH) ANNUAL GENERAL MEETING

#### DATE & DAY OF AGM

28<sup>TH</sup> DAY OF SEPTEMBER, 2018 (FRIDAY)

#### TIME OF MEETING

11:30 A.M.

#### VENUE OF MEETING

Apsara Grand Banquet Halls, A- 1/20B, Paschim Vihar, Rohtak Road, Near  
Paschim Vihar West Metro Station, Pillar No. 255, New Delhi -110063

#### BOOK CLOSURE DATES

Saturday 22<sup>nd</sup> September, 2018 to Friday 28<sup>th</sup> September, 2018

#### INSTRUCTIONS TO THE MEMBER

Members are requested to bring their copy of Annual Report at the meeting as the copies of the same will not be circulated at the AGM as a measure of economy and green initiative.

CONTENTS	
The MFL's Board of Directors	3
Corporate Information-MFL	4
Message from the Chairman	5
Route Map for AGM Venue	6
Notice of 24 <sup>th</sup> Annual General Meeting	7-18
Board of Directors' Report	19-31
Corporate Governance Report	32-55
Annexure to the Board's Report:-	
Extract of Annual Return: MGT-9 (Annexure I)	56-65
Particulars of Employees (Annexure II)	66-68
Declaration of Independence by Independent Directors (Annexure III)	69-74
Secretarial Audit Report: MR-3 (Annexure IV)	75-78
Particulars of contracts or arrangements: AOC 2 (Annexure V)	79
Report on Conservation of Energy, Technology Absorption & Foreign Exchange earnings & outing (Annexure VI)	80-82
Annual Report on CSR Activities (Annexure VII)	83-85
Management Discussion and Analysis Report (Annexure VIII)	86-92
Annexure to the Corporate Governance Report :-	
CEO and CFO Certification (Annexure "A")	93
Independent Auditor's Certificate on Corporate Governance (Annexure "B" )	94
Declaration on 'The Code of Conduct' (Annexure "C")	95
Independent Auditor's Report	96-101
Financial Statements	102-106
Notes to the Financial Statements	107-141



## MOHINDRA FASTENERS LIMITED

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CIN: L74899DL1995PLC064215

Website: [www.mohindra.asia](http://www.mohindra.asia) E-mail: [cs@mohindra.asia](mailto:cs@mohindra.asia)

BOARD OF DIRECTORS	
Designation	Name of Directors
Chairman Cum Managing Director & CEO	Mr. Deepak Arneja
Managing Director	Mr. Ravinder Mohan Juneja
Non – Executive Director	Mr. Gagandeep Singh Narang
Non – Executive & Independent Director	Mr. Vinod Kumar
Non – Executive & Independent Director	Mr. Ved Prakash Chaudhary
Non – Executive & Independent Director	Mrs. Anjali Malik

Chief Financial Officer	Mr. Sunil Mishra
Company Secretary & Compliance Officer	Ms. Nidhi Pathak

CORPORATE INFORMATION	
Director – Operations	Mr. Sudhir Arneja
Director – Operations	Mr. Anurag Arneja
General Manager – SCM	Mr. Dheeraj Juneja
General Manager – Sales & Marketing	Mr. Prateek Arneja
<b>Statutory Auditor</b>	M/s B. L. Khandelwal & Co (Practicing Chartered Accountant) 1, Doctor Lane, Gole Market, New Delhi -110001
<b>Cost Auditor</b>	M/s Sanjay Kumar Garg & Associates (Practicing Cost Accountant) Shop No. 2, First Floor, Pocket – H – 34, Plot No. 35, Sector – 3, Rohini, New Delhi – 110085
<b>Secretarial Auditor</b>	M/s Anand Nimesh & Associates (Practicing Company Secretary) 183B, Second Floor, Gurudwara Road, West Guru Angad Nagar, Laxmi Nagar, New Delhi – 110092
<b>Registrar &amp; Share Transfer Agent</b>	Skyline Financial Services Private Limited D – 153 / A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase – 1, New Delhi – 110020, Tel:- 011-40450193, Email Id:- admin@skylinerta.com
<b>Company's Banker</b>	The Karnataka Bank Limited 11/14, West Patel Nagar, New Delhi – 110 008
WORK PLACE	
<b>Registered Office</b>	304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, New Delhi -110087Tel.: 011-46200400, Email Id: <a href="mailto:cs@mohindra.asia">cs@mohindra.asia</a>
<b>Marketing Office</b>	303 – 304, Vardhman Plaza, Inder Enclave, Paschim Vihar, Delhi – Rohtak Road, New Delhi – 110 087 Tel.: 011-46200400, Email Id: <a href="mailto:cs@mohindra.asia">cs@mohindra.asia</a>
<b>Manufacturing Units</b>	<p><b>Plant I</b> - 60th K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &amp; P.O. Kharawar, District Rohtak, Haryana -124001.</p> <p><b>Plant II</b> - 60th K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &amp; P.O. Gandhra, District Rohtak, Haryana - 124001.</p> <p><b>Plant IV</b> - 70th K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &amp; P.O. Kharawar, District Rohtak, Haryana-124001</p>

## CHAIRMAN'S MESSAGE



**Mr. Deepak Arneja**

(Chairman cum  
Managing Director & CEO)

### *Dear Shareholders,*

It gives me great a pleasure to share the performance of your Company for the financial year 2017-18. It was a transformative year with the introduction of the Goods and Services Tax (GST), an important development that has created a One Nation, One Tax & One Market and will benefit both consumers as well as the industry including the automotive sector. While there were implementation issues of GST and the first half marked with uncertainties, they have since established and there is a gradual improvement in overall demand.

As the pace of change accelerates, we are creating a stronger, simpler and more agile business. However volatile and uncertain the world becomes, we believe managing for the long-term is the best way for us to grow. We are well placed to deliver long-term value through our strategy.

In this challenging business environment, your Company delivered a balancing performance. The Company has earned a Profit (PBT) of **Rs. 910.48 Lakhs** on a total Revenue from operations of **Rs. 11394.20 Lakhs**. Both have grown up by **over 16%** and **over 7%** as compared to last financial year 2016-17. This was only due to a well diversified customers and product portfolio that we work with and that diversification has always helped the Company.

Your Company has prepared its financial statements which comply with Ind AS applicable for period ending 31<sup>st</sup> March, 2018, together with the comparative period data as at and for the year ended 31<sup>st</sup> March, 2017. The notes explain the principal adjustments made by the Company in restating its IGAAP statement of financial position as at 1<sup>st</sup> April, 2016 and its previously published IGAAP financial statements as at and for the year ended 31<sup>st</sup> March 2017.

I place on record my appreciation to our Board of Directors, as always, who have been very supportive and have provided the requisite guidance in operating your company throughout the year. Your Company is privileged to have in its team, more than 65 members who have spent over 10 years of service in this organization. It also boasts, of about 15 members who have been since incorporation of the company and have spent a little over 20 years. The Company places its appreciation on record to all the above members, who have been partners with the company since inception.

Backed by our strong product portfolio and improved efficiencies and with the industry expected to grow over the medium term, we are confident of strong growth in the coming years.

In keeping with our tradition of directing surplus cash to shareholders, the Board has recommended a final dividend of Rs. 2.50 per share of Rs. 10/- each fully paid up, for the financial year 2017-18. The same shall be paid subject to the approval of shareholders at the ensuing Annual General Meeting.

The Company is being rated by ICRA Limited for its long term & short term borrowings. This reflects the Company's financial discipline and prudence. ICRA has upgraded the Credit Ratings of Long Term Bank facilities to [ICRA] BBB (pronounced as ICRA triple B) and the Short Term Bank facilities to [ICRA]A3+ (pronounced as ICRA A three plus) i.e. these ratings are considered to have moderate degree of safety regarding timely servicing of financial obligations.

I am delighted to inform that your company shall take adequate steps to get the shares traded on Metropolitan Stock Exchange of India Limited ("the Stock Exchange") at the earliest as the company got the necessary approvals from the Stock Exchange regarding the same.

Your company has lower debt outgo and the running loans are at competitive interest rates. This is reflected in lower finance costs. The Energy costs remained more or less at the similar levels.

**Overall, it was another year of sustained high performance with considerable achievements across our business. None of this would have been possible without the dedication and determination of our people.**

### **Acknowledgement**

With the leadership team and huge opportunities ahead, I am very excited about the future and sincerely believe that MFL's best days are yet to come.

On behalf of the entire Board of Directors of Mohindra Fasteners Limited, I would like to thank you – our valued stakeholders – for the continuing confidence you have placed in the organization.

Warm Regards,

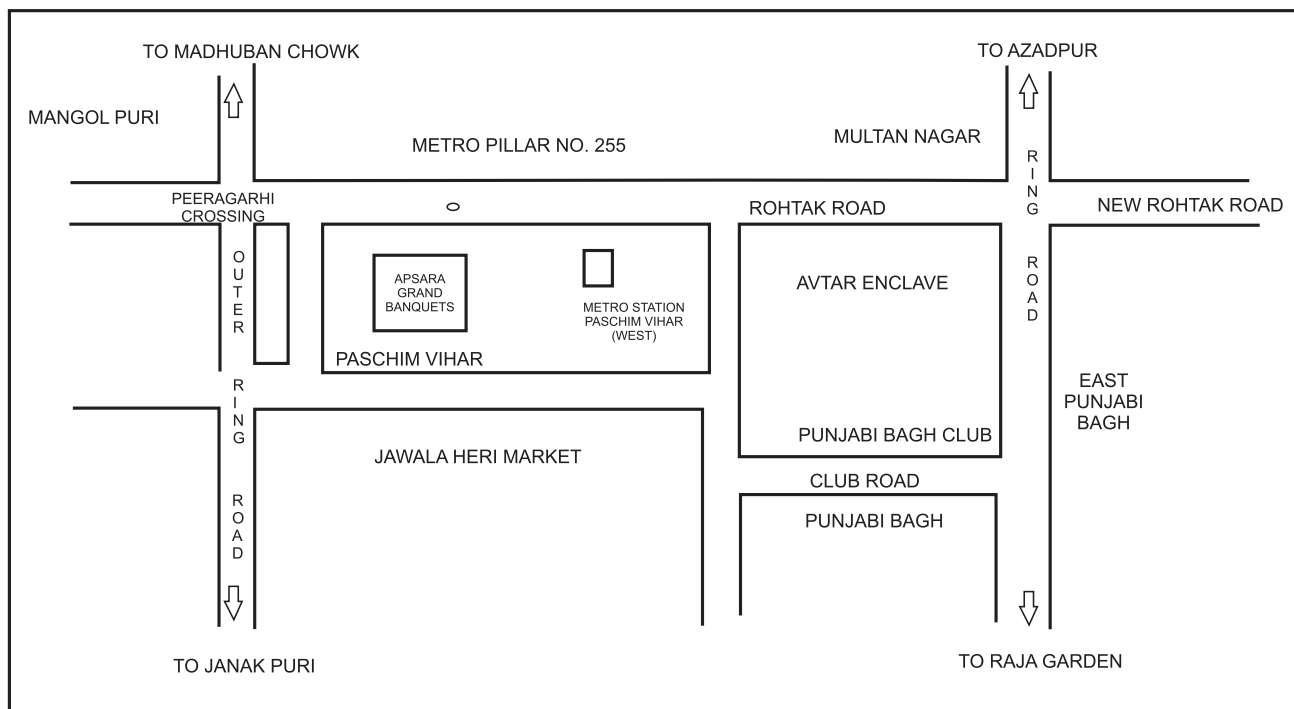
**Deepak Arneja**

**Chairman**

## ROUTE MAP TO THE VENUE OF THE AGM

### VENUE:

Apsara Grand Banquet Halls, A-1/20 B, Paschim Vihar, Rohtak Road, Near Paschim Vihar West Metro Station, Pillar No. 255, New-Delhi-110063, India



## NOTICE

NOTICE is hereby given that the **24th (Twenty Fourth) Annual General Meeting** of the Members of **MOHINDRA FASTENERS LIMITED** will be held on **Friday, the 28th September, 2018** at 11.30 A.M. at Apsara Grand Banquet Halls, A-1/20 B, Paschim Vihar, Rohtak Road, Near Paschim Vihar West Metro Station, Pillar No. 255, New-Delhi-110063 to transact the following businesses:

### ORDINARY BUSINESS

1. To review, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018, the Reports of the Auditors and Board of Directors thereon.

**“RESOLVED THAT** the Audited Financial Statements for the year ended March 31, 2018 together with the Auditors Report thereon and the Report of the Board of Directors for the financial year ended on that date be and are hereby approved and adopted.”

2. To declare the dividend on Equity Shares for the financial year ended on 31st March, 2018.

**“RESOLVED THAT** a final dividend of Rs. 2.50 per Equity Share as recommended by the Board of Directors for the year ended as on 31st Day of March, 2018 be and are hereby approved and declared.”

3. To appoint a Director in place of Mr. Ravinder Mohan Juneja (DIN: 00006496) who retires by rotation and being eligible, offers himself for re-appointment.

**“RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Ravinder Mohan Juneja (DIN: 00006496) who retires by rotation and being eligible for re-appointment is hereby re-appointed as a Director of the Company, whose office is liable to retire by rotation.”

4. To confirm the appointment of Statutory Auditors and to authorize the Board of Directors to fix their remuneration. Consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to provisions of Sections 139 of the Companies Act, 2013 (“the Act”) as amended by Companies (Amendment) Act, 2017, Section 142 and other applicable provisions of the Act, read with the provisions of the Companies (Audit and Auditors) Rules, 2014 (for time being in force), appointment of M/s. B. L. Khandelwal & Co., Chartered Accountants, Delhi (Firm Registration No. 000998N) who has been appointed as Statutory Auditors of the Company for the term of five years at the 23rd Annual General Meeting of the Company with the condition of ratification of appointment at every annual general meeting, be and is hereby confirmed for the rest of their tenure, i.e. up to conclusion of 28th Annual General Meeting without any ratification in subsequent Annual General Meetings and Board of Directors of the Company be and is hereby authorised to fix their remuneration from time to time in consultation with them.”

### SPECIAL BUSINESS

5. To approve the remuneration of Cost Auditor for the financial year ending 31st March, 2019. Consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to provision of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactments thereof, for the time being in force, the Cost Auditors, M/s. Sanjay Kumar Garg & Associates, Cost Accountants (Firm Registration No. 100292), appointed by the Board of Directors of the Company, to conduct the audit of Cost records of the Company for financial year ending 31st March, 2019, be paid the remuneration as set out in the explanatory statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To approve the appointment of Ms. Shamoli Thakur (DIN: 08189763) as an Independent Women Director of the Company. Consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the “Act”) as amended from time to time and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulation(s) of SEBI (Listing Obligations and



Disclosure Requirements), Regulations 2015, the appointment by the Board of Directors of Ms. Shamoli Thakur (DIN:08189763), who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation and in respect of whom the company has received a notice in writing from a member under Section 160 (1) of the Act proposing her candidature for the office of Independent Director of the company be and is hereby appointed as an independent director of the company for a term of five years commencing from August 3, 2018 to August 2, 2023.”

7. To approve the Reclassification of the Shareholders from the Promoters’ Group Category. Consider and if thought fit, to pass the following resolution as SPECIAL RESOLUTION:

**“RESOLVED THAT** in accordance with Regulation 31A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the Stock Exchanges and other appropriate statutory authorities, as may be necessary, the consent of the Shareholders of the Company be and are hereby accorded to reclassify the following persons as detailed in the explanatory statement annexed to this notice from the Promoter Group category i.e. remove their names from the Promoter Group shareholders.

**RESOLVED FURTHER THAT** on approval of the Stock Exchange upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions, if any.

**RESOLVED FURTHER THAT** Ms. Nidhi Pathak, Company Secretary and one of the Executive Directors of the company and/or such other person as authorized by the Board, be and is hereby authorized either jointly or severally to submit application for reclassification to the Stock Exchange(s), wherein the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable in order to give effect to this Resolution including filing of necessary forms/ returns with the Ministry of Corporate Affairs/Stock Exchanges/other authorities concerned.”

**By Order of the Board**

**Place: New Delhi**

**Dated: 3<sup>rd</sup> August, 2018**

**Deepak Arneja**

**DIN: 00006112**

**Chairman Cum**

**Managing Director & CEO**

### NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), setting out the material facts concerning the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto. The additional and relevant details of the Director seeking re-appointment or appointment under Ordinary & Special Business, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations) are annexed hereto after the notes to the Notice of AGM.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY IN FORM NO. MGT 11 TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBER(S) NOT EXCEEDING FIFTY(50) MEMEBERS AND HOLDING IN THE AGREEGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.**
3. A blank proxy form is enclosed herewith. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. M/s Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 is the Registrar and Share Transfer Agent for physical shares of the Company. M/s Skyline Financial Services Private Limited is also the depository interface of the Company with both NSDL and CDSL.
8. Members are requested to bring their copies of the Annual Report at the time of attending the AGM as no copy of Annual Report shall be made available at the AGM venue.
9. For the convenience of the members, attendance slips is enclosed with the Annual Report. Members/Proxies/ Authorised Representatives should bring and handover the duly signed attendance slips at the entrance of the AGM venue to record their attendance. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
10. In terms of section 72 of the companies act, 2013, the shareholders of the company may nominate a person on whom the shares held by him/them shall vest in the event of his/her death, shareholders desirous of availing this facility may submit their nomination in prescribed form no. SH 13 duly filled in to the registered office at 304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, Delhi-110087. The Prescribed form (SH-13) can be obtained from the website of the company i.e. [www.mohindra.asia](http://www.mohindra.asia) and its RTA M/s. Skyline Financial Services Private Limited, Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive)** for the purpose of payment of final dividend for the financial year ended on 31st March, 2018 and for this Annual General Meeting (AGM).
12. Members, who are holding shares in the identical order of names in more than one folio, are requested to write to the Company to enable it to consolidate their holding in one folio.
13. Members are requested to quote their folio number, DP ID/Client ID and the Company's name in all correspondence with M/s Skyline Financial Services Private Limited, who is acting as our Registrar and Share Transfer Agent.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their de-mat accounts. Members holding shares in physical form are required to submit their PAN details to the Company or M/s Skyline Financial Services Private Limited (RTA).
15. The Company's shares are compulsorily traded in de-mat form; hence the member(s) who are holding Shares of the company in physical form are requested to get them dematerialized. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrars and Transfer Agents for assistance in this regard. The ISIN code of our securities with CDSL & NSDL is **INE705H01011**.
16. With a view to using natural resources responsibly and as permitted by the SEBI Listing Regulations and Companies Act, 2013, we request shareholders to update their email address, with their Depository Participants or to Company's Registrar and Share Transfer Agent or may email at the designated email ID of the Company i.e. [cs@mohindra.asia](mailto:cs@mohindra.asia), to enable the Company to send communications electronically and to support Green Initiative.
17. Pursuant to Regulation 36 of the SEBI (LODR) Regulations, 2015 and Sections 20, 101 and 136 of the Companies Act, 2013, the Annual Report 2017-18, Notice of the 24th AGM and instructions for e-voting along with the attendance slip and Proxy form is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the above said documents are being sent by the permitted mode. Members are requested to bring their copy of Annual Report to the Meeting.
18. Members may also note that the Notice of the 24th AGM and the Mohindra Fasteners Limited's Annual Report 2017-18, instructions for e-voting along with the attendance slip and Proxy form will be available on the Company's website at [www.mohindra.asia](http://www.mohindra.asia). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [cs@mohindra.asia](mailto:cs@mohindra.asia).
19. Members whose shareholding is in de-mat mode are requested to directly update their bank account particulars, change of address and other details with their respective Depository participants.
20. The Company has designated an exclusive e-mail id i.e. [cs@mohindra.asia](mailto:cs@mohindra.asia) for Redressal of shareholders'/ Investors' Complaints/Grievances. In case you have any queries/ complaints or grievances, then please write to us at the above mentioned e-mail address.
21. Subject to the provisions of the Act, Dividend, as recommended by the Board of Directors, if declared at the AGM, will be paid within 30 days from the date of declaration:
  - a) To all the beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on **Friday, September 21, 2018**.
  - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of valid transfer requests lodged with the Company as of the close of business hours on **Friday, September 21, 2018**.
22. Members are encouraged/ advised to utilize the Electronic Clearing System (ECS) for receiving dividends.
23. Pursuant to the provision of Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, all unpaid or unclaimed dividends are required to be transferred by the company to the Investor Education & Protection Fund (IEPF) established by the Central Government, after completion of **7 (seven) years**.

Accordingly, unpaid/unclaimed dividend for the Financial Year 2010-11 and their corresponding shares in respect of which dividend has not been claimed from the last 7 (Seven) consecutive years are liable to become transfer to the IEPF fund with in thirty days (30) from the due date i.e. **15<sup>th</sup> October, 2018**. No claim shall lie

## MOHINDRA FASTENERS LIMITED

thereafter against the company in respect of such amounts and shares transferred for the Financial Year 2010-11. Shareholders are therefore requested to verify their records and send claims if any, for the relevant year(s) for FY 2010-11 or onwards, before the respective amounts become due for transfer to the fund.

The following are the details of the dividend declared by the company, the due dates for claiming of dividend by the shareholders and the due dates for transfer of amount of unpaid dividend to IEPF of the last 7(seven) year of unpaid dividend:

Financial Year	Dividend Per share (in Rs.)	Date of Declaration	Last Date for claiming amount of unpaid dividend	Due Date for transfer amount to IEPF	Amount (in Rs.) As on 31 <sup>st</sup> March, 2018
2010-11	0.75	16/09/2011	14/10/2018	15/10/2018	40,945.50
2011-12	1.50	22/09/2012	20/10/2019	21/10/2019	62,253.00
2012-13	1.60	30/09/2013	28/10/2020	29/10/2020	77,280.00
2013-14	1.80	25/09/2014	29/10/2021	30/10/2021	93,960.00
2014-15	2.00	30/09/2015	03/11/2022	04/11/2022	182,600.00
2015-16	2.00	30/09/2016	29/10/2023	30/10/2023	150,800.00
2016-17	2.25	28/09/2017	29/10/2024	30/10/2024	2,74,749.75

Those members who have not so far claimed their dividend for the financial year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 are requested to make their claims to the company for obtaining their respective Demand Draft(s). Members wishing to claim dividend(s), which remain unclaimed, are requested to correspond with Secretarial & Legal Department of the Company by writing a Request Letter to Company Mohindra Fasteners Limited (MFL) at Registered office: 304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, Delhi-110087 Email ID: [cs@mohindra.asia](mailto:cs@mohindra.asia) or company's Registrar & Share Transfer Agent (i.e. M/s. Skyline Financial Services Private Limited), on or before their due dates.

The Company sends periodic intimations/letters to the concerned shareholders time to time and has also uploaded the details of such shareholders containing their name, folio number, DP ID-Client ID(if any) and number of shares due for transfer to IEPF Suspense Account on its website [www.mohindra.asia](http://www.mohindra.asia) for their information and necessary action.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority by following the procedure as prescribed in the IEPF Rules.

In case the Company/Registrar & Share Transfer Agent (RTA) does not receive any communication from the concerned shareholders, the Company with a view to adhering with the requirements of the Rules, will take necessary action for transfer the dividend amount and shares to the IEPF Suspense Account with in thirty days from the due date.

24. Pursuant to the prohibition imposed vide Secretarial Standard of General Meeting (SS-2), no GIFTS/Coupons shall be distributed at the General Meeting.
25. All documents referred to in the accompanying Notice and the Explanatory Statements shall be open for inspection at the Registered Office of the Company between 11.00 am and 1.00 pm on all working days up to date of the Annual General Meeting of the Company and at the AGM venue during the meeting.
26. Members desiring any information regarding the Financial Statements are requested to write to the Company at least 7 days before the AGM, so as to enable the management to keep the information ready.

### 27. CUT OFF DATE:

- (i) This Notice is being sent to all the members whose name appears as **on Friday, August 24, 2018** in the register of members or beneficial owners as received from M/s Skyline Financial Services Private Limited, the Registrar and Transfer Agent of the Company.
- (ii) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on **Friday, September 21, 2018** (the "Cut off Date") only shall be entitled to vote through Remote E-voting and at the AGM and also entitled to final dividend. The voting rights of

Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date.

## 28. VOTING BY MEMBERS

**The voting for the agenda items as mentioned in the Notice shall be done in the following manner:**

- (i) Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM ("**Remote E-voting**") in the manner provided below during the e-voting period.
- (ii) At the venue of AGM, voting shall be done through ballot papers ("**Ballot Paper**") and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
- (iii) A Member may participate in the AGM even after exercising his right to vote through Remote E-voting, at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.

## 29. VOTING THROUGH ELECTRONIC MEANS

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment, Rules 2015 and further substituted by the Companies (Management and Administration) Amendment, Rules 2016 (including any statutory modification or re-enactment thereof) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice electronically and the business mentioned in the Notice may be transacted through Remote E-voting. The Company has engaged the services of **National Securities Depository Limited (NSDL)** for the purpose of providing Remote E-voting facility to all its Members. The process and manner of Remote E-voting are as under:

### I. The procedure to login to e-Voting website consists of two steps as detailed hereunder:

#### Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
  - a. For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b. For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c. For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?



- i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **II. General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [vdnext1711@gmail.com](mailto:vdnext1711@gmail.com) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

### **III. OTHER INSTRUCTIONS**

1. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. If you Forget your Password, you can reset your Password by using "**[Forgot User details/ Password](#)**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
2. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
3. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

**(IV) Remote E-voting Period**

The Remote E-voting period commences from **Sunday, September 23, 2018 (9:00 A.M.) till Thursday, September 27, 2018 (5:00 P.M.)**. Members of the Company, holding shares either in physical form or in dematerialized form, as on **Friday, September 21, 2018**, may cast their vote electronically, during this Remote E-voting period. The e-voting module shall be disabled by NSDL for voting thereafter.

**(V) User ID and Password for the members who became Members after dispatch of AGM notice:**

Persons who have acquired shares and became members of the Company after the dispatch of the notice of AGM but before the cut-off date of **Friday September 21, 2018**, may obtain their user ID and password for e-voting from the Company's Registrar and Share Transfer Agent or NSDL.

**(VI) Scrutinizer**

**Mr. Anand Kumar Singh**, a Practicing Company Secretary, Partner of M/s. Anand Nimesh & Associates, Practicing Company Secretaries, has been appointed as the scrutinizer to scrutinize the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through Remote E-voting in the presence of at least two witnesses not in the employment of the Company and make & submit on or before **29th September, 2018**, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

**(VII) Declaration of Results**

The Results of voting (Remote E-voting and the voting at the AGM) on the resolutions will be declared on or before **29th September, 2018** by the Chairman or any person authorized by him for this purpose. The results declared along with the report of the Scrutinizer shall be placed on the website of the company i.e. [www.mohindra.asia](http://www.mohindra.asia) under Investors' section/link and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com), immediately after the results are declared and simultaneously communicated along with the report of the Scrutinizer to the **Metropolitan Stock Exchange Limited (MSEI)**, where the shares of the company are listed.

**(VIII) Queries in Relation to E-Voting:**

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990 or **Email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)**.

**By Order of the Board**

**Place: New Delhi**

**Dated: 3rd August, 2018**

**Deepak Arneja**

**DIN: 00006112**

**Chairman Cum**

**Managing Director & CEO**

**AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 (“ACT”), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED UNDER ITEM NOS. 5 TO 7 OF THE ACCOMPANYING NOTICE:**

**ITEM NO. 5**

The Board, on the recommendation of the Audit Committee, has approved at their Meeting held on 29<sup>th</sup> May, 2018 the appointment of M/s. Sanjay Kumar Garg & Associates (Firm Registration No-100292), Cost Accountants, Shop No.2, First Floor, Pocket H-34, Plot No-35, Sector-3, Rohini, New Delhi-110085, as Cost Auditors to conduct the audit of the cost records of the Company pertaining to manufacturing of fasteners for the financial year ending 31st March, 2019 at a remuneration of Rs. 35,000/- plus out of pocket expenses and applicable taxes.

M/s. Sanjay Kumar Garg & Associates has furnished consent cum certificate regarding their eligibility for being appointed as Cost Auditors of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 5 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution. The Board recommends the passing of the resolution as set out at Item No. 5 as an Ordinary Resolution.

**ITEM NO. 6**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (the “Act”) read with Schedule IV and Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the vacancy caused by the resignation of Mrs. Anjali Malik, who was an Independent women Director of the Company, the Board is required to fill up this vacancy within 3 Months from the date of her resignation or next Board Meeting whichever is later.

The Board of Directors (the “Board”) in its Meeting held on 03rd August, 2018, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of the shareholders in the 24th Annual General Meeting of the Company and pursuant to the provisions of Section 149 of the Companies Act, 2013 (the “Act”) read with Schedule IV and Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, had appointed Mrs. Shamoli Thakur (DIN: 08189763) as an Non-Executive Independent Women Director of the Company, not liable to retire by rotation, to hold office for a period of five (5) years with effect from **August 3, 2018 to August 2, 2023**. The company has in terms of 160(1) of the Act, received in writing a notice from a member proposing her candidature for the office of a director.

Mrs. Shamoli Thakur is BA (Hons) graduated from Hindu College, Delhi University and has done the Course of Special Educator for learning Disabilities from SNDT University, Mumbai.

Additional Information, required under Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India, is given in Annexure to this Notice.

The company has received a declaration from Mrs. Shamoli Thakur to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Board is of the opinion that Mrs. Shamoli Thakur’s expertise and professionalism will be beneficial to the Company.

The terms and conditions of her appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

None of the Directors and Key Managerial Personnel and any of their relatives is concerned or interested in the passing of this resolution, except Mrs. Shamoli Thakur herself insofar as it relates to her appointment.

The Board recommends the Ordinary Resolution at Item no. 6 of the accompanying Notice, for the approval of the Members.



## **ITEM NO. 7**

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations, 2015'), effective from December, 2015, has provided a regulatory mechanism for re-classification of Promoters & Promoter group shareholders subject to fulfillment of conditions as provided therein.

In this regard, the Company received applications from the promoter group Shareholders (table listed below) pursuant to Regulation 31A of the Listing Regulations, 2015 for remove their names from Promoter Group Category as they sold their entire share holding of the company. Since their names have been included as a part of the Promoter group merely because they are deemed to be 'Immediate relatives' and/or controlled by the Immediate Relatives of the Promoters and any other person as per the definition of promoter group as provided in Regulations 2(1)(zb) (ii) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 even though they are financially independent person/entities, who take independent investment decisions and is in no way related to any of the business carried out by the Company. Further they do not hold any key managerial position or representations of the Board of Directors in the Company and have not engaged in any management or day to day affairs of the Company. None of their act influences the decision taken by the Company and they do not have any special right through formal or informal arrangements with the Company or with any of its Promoters/Directors of the Company. Similarly any Promoter and Director have no interest in the profession/business being carried on by the Applicants.

<b>Sr. No.</b>	<b>Name of Shareholders/ Applicants</b>	<b>Folio No.</b>	<b>No. of Shares</b>	<b>% of shareholding of number of shares</b>	<b>Status</b>
1	Sanat Manilal Shah	IN30115113379254	Nil	N.A	Shares sold
2	Bimlesh Arora (First Holder) Vikas Arora (Second Holder)	1846	Nil	N.A	Shares sold
3	Sripati Mehta	28	Nil	N.A	Shares sold

In view of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015, the Board of Director of the Company at their meeting held on 12th February, 2018, has approved all the applications for reclassification received from the applicants, subject to approval by the shareholders and other relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from the aforesaid applicants. None of the concerned persons, acting individually and in concert, directly or indirectly exercise control over the management and affairs of the Company. Their shareholding along with persons acting in concert was not exceeding 1% of the total share capital of the Company.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfills the minimum public shareholding requirement of atleast 25% and the proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

In keeping with the requirement of the stock exchanges, the Board recommends the resolution set out at Item No.7 for the approval of the shareholders of the Company as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

**By Order of the Board**

**Place: New Delhi**

**Dated: 3<sup>rd</sup> August, 2018**

**Deepak Arneja**

**DIN: 00006112**

**Chairman Cum**

**Managing Director & CEO**

**RELEVANT DETAILS FOR ITEM NO. 3 & 6**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER  
REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015, AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2):**

**I. Brief Resume and other details for ITEM No. 3**

Name of Director	Mr. Ravinder Mohan Juneja (DIN: 00006496)
Date of Birth	11 <sup>th</sup> September, 1951
Date of appointment (Original)	10 <sup>th</sup> January, 1995 (Since Incorporation)
Nature of his expertise in specific functional areas	He has immense years of experience in Manufacturing Field.
List of companies in which Directorship held as on 31.03.2018	PUBLIC COMPANIES • Mohindra Fasteners Limited PRIVATE COMPANIES • Nil
List of Committees in which he is a Chairman/ Member of the Committees of the Board of the companies as on 31.03.2018.	Chairman • Nil Member • Stakeholders Relationship Committee • Corporate Social Responsibility
No. of shares held in the Company	4,84,650 Equity Shares
Shareholding in the company	09.05%

**Additional Information on director recommended for re-appointment as required**

Name : Mr. Ravinder Mohan Juneja  
 Fathers Name : Late Shri Krishan Lal Juneja  
 Qualification : Under Graduate  
 Age : 67 Years  
 Residential Address : 1189 - B, DLF Colony, Rohtak, 124001, Haryana, India  
 Business Experience : Has more than 23 years of experience in holding responsible positions including directorship in the Company "Mohindra Fasteners Limited". He has more than 38 years of Experience in Manufacturing & Trading of Fasteners Industries. His business acumen, leadership quality, financial and management expertise/techniques have benefited the organization significantly wherever he served.  
 Relationship with other Directors, Manager and other key Managerial Personnel of the Company : None

## II. **Brief Resume and other details for ITEM No. 6**

Name of Director	Mrs. Shamoli Thakur (DIN: 08189763)
Date of Birth	23 <sup>rd</sup> June, 1968
Date of appointment (Original)	03 <sup>rd</sup> August, 2018
Nature of his expertise in specific functional areas	She has considerable number of years of experience in her Teaching career.
List of companies in which Directorship held as on 03.08.2018	Nil
List of Committees in which she is a Chairman/Member of the Committees of the Board of the companies as on 03.08.2018	Nil
No. of shares held in the Company	Nil
% Shareholding in the company	N.A.

### Additional Information on director recommended for re-appointment as required

Name : Mrs. Shamoli Thakur  
 Fathers Name : Late Mr. Omesh Kumar Sondhi  
 Qualification : B A (Hons.)  
 Age : 50 Years  
 Residential Address : House No. 62, Sector-17A, Gurgaon-122001, Haryana  
 Business Experience : She has more than 28 years of experience in her teaching career. She worked with Wonderland Kids Nursery as Class Teacher also was the Administrator of the School. In 2002 she joined as an educator specializing in Art & Craft promoted as Head Pallavan, Anandgram in 2006. In addition to her professional or official duties, she also conducting summer art workshops for teachers for The Shri Ram School since 2005 and she also holds special private art therapy classes for differently abled children as well as regular children.  
 Relationship with other Directors, Manager and other key Managerial Personnel of the Company : None

**By Order of the Board**

**Place: New Delhi**  
**Dated: 3<sup>rd</sup> August, 2018**

**Deepak Arneja**  
**DIN: 00006112**  
**Chairman Cum**  
**Managing Director & CEO**

## DIRECTOR'S REPORT

To,  
The Members of Mohindra Fasteners Limited

Your Directors are pleased to present their **24<sup>th</sup> (Twenty Fourth)** Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended March 31, 2018.

### FINANCIAL RESULTS

The highlights of the Financial Results are as under:

(Rupees in Lakhs)

PARTICULARS	Year ended 2017-18	Year ended 2016-17
Revenue From Operations	11394.20	10645.89
Other Income	155.33	153.25
Total Income/Revenue	11549.53	10799.14
Total Expenses	10639.05	10016.04
Profit before Interest, Depreciation & Tax	1368.17	1192.99
Finance Charges	157.09	126.38
Depreciation and Amortization expenses	300.60	283.51
Profit/(Loss) for the Year	910.48	783.10
Add/(Less): Exceptional Items	Nil	Nil
Profit before Tax	910.48	783.10
Add/(Less): Provision for Income Tax(Current Tax)	290.00	241.00
Add/(Less): Deferred Tax Assets/ (Liability)	17.39	31.17
Net Profit/(Loss) for the Year after Tax	603.09	510.93
Other comprehensive income:		
Items that will not be reclassified to Profit & Loss	(52.97)	(1.39)
Total comprehensive income for the year	550.11	509.54
Equity Shares	53.56	53.56
Earnings per share (EPS):		
Basic	11.26	9.54
Diluted	11.26	9.54

**Notes: The above figures are extracted from the audited financial statements prepared as per Indian Accounting Standards (Ind AS).**

### 1. 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.

In order to meet our customer's expectations, we ensure that our sales team generates enthusiasm and respond with extra efforts in addressing our customer's needs.

## **2. COMPANY'S MISSION**

The Company will strive to achieve the following:

- To maintain the quality systems as per the International standards.
- To attain customer satisfaction.
- To target to reduce cost in all areas.
- To achieve operational efficiency in all its operations.
- To maximize the Shareholders' wealth.

## **3. REVIEW OF OPERATIONS**

During the financial year 2017-18; your company has earned revenue from operations Rs. 11394.20 Lakhs (Previous year Rs. 10645.89 Lakhs) and net profit of the company was Rs. 603.09 Lakhs (Previous year Rs. 510.93 Lakhs)

The highlights of the Company performance during the Financial Year 2017-18 are as under:

1. Revenue from operations increased by 7.03% to Rs. 11394.20 Lakhs.
2. Export Sales increased by 6.17% to Rs. 6330.00 Lakhs.
3. PBIDT increased by 14.68% to Rs. 1368.17 Lakhs.
4. Profit before tax increased by 16.27% to Rs. 910.48 Lakhs.
5. Net Profit increased by 18.04% to Rs. 603.09

Your Company is currently operating in 2 business verticals viz. OE/Automotive sales which constitute about 40% of the sales revenue and Exports which constitute about 60% of the sales revenue.

The OE/Automotive sales are predominantly to the 2 wheeler segment (direct supplies to Hero MotoCorp Ltd) and a lot of Tier 1 vendors of Maruti, Hyundai and Tata Motors Ltd. All the above segments are buoyant and have shown good growth in the previous year & in current year also. Hero MotoCorp has increased its business and market share and is growing at over 10% per annum. Even the sales in the Car/SUV segment are high and expected to surpass all previous records in the current financial year. The heavy truck segment has given positive results, after a long gap. With all the segments showing positive and unprecedented growth, this translates into higher business opportunities for us. Our revenue from operations in all the above segments in the financial year 2017-18 has grown by over 7% as compared to previous year 2016-17. A good monsoon and a festival period thereafter will ensure that sales are continuously running in this segment of business in the current years.

Exports have always remained back bone of the company and the results have been encouraging. The Exports besides adding to the top line of the company also contribute towards better profits and foreign exchange earnings for the company and the country. Our export orders in hand, as of date, are enough to cover our production and sales for the next 4 to 5 months. The order inflow is a running continuous process and the international markets are doing well and we hope to continue the momentum. Our revenue from operations in Exports in financial year 2017-18 has grown by over 6% as compared to previous year 2016-17. With a good order book and customer support and the product variety in hand, we expect an overall 12-15% growth in this segment in the current financial year.

From a company point of view, we expect the sales to grow by over 10-12% in this financial year.

## **4. DIVIDEND**

Keeping in view the Company's tradition of giving high rewards to the shareholders of the company, The directors had in their meeting held on August 3, 2018, recommended **dividend of Rs. 2.50 per share** i.e. 25% of face value of Rs. 10/- each fully paid up (Previous year Rs. 2.25 per share i.e. 22.50%), for the financial year ended on 31st March, 2018. The dividend, if approved by the shareholders at the ensuing Annual General Meeting shall be payable to shareholders, whose names appear in the Register of Members, as on **Friday, September 21, 2018**.

The register of members and share transfer books will remain closed from **Saturday September 22, 2018 to Friday September 28, 2018** for the purpose of payment of the dividend for the financial year ended March 31, 2018 and the AGM. The AGM is scheduled to be held on **Friday 28<sup>th</sup> September, 2018**.

## MOHINDRA FASTENERS LIMITED

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### **5. RESERVES**

The Company does not propose to transfer/carry any amount to the General Reserve as there are no such mandatory requirements under Companies Act, 2013.

### **6. QUALITY MANAGEMENT SYSTEM**

MFL's operations are conforming to EN ISO 9001:2015 and IATF 16949:2016 Certifications, An integrated QMS ensures products traceability from the raw material stage to customer's door steps, in addition to meeting the internal Quality Objectives. MFL has in house policies for minimizing environmental risks, avoiding wastages, encouraging active re-cycling, promoting energy saving measures and same is certified as per ISO 14001:2015 and OHSAS 18001:2007. In addition, our in-house heat Treatment facilities confirm to CQI 9 Certification.

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.

### **7. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of the business of the Company during the year.

### **8. DEPOSIT**

The Company has not accepted any fixed/ public deposit and as such no amount on account of principal or interest on deposit was outstanding as on Balance Sheet Date. Accordingly within the meaning of section 73 of the companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, there is no deposit(s) subsists in the Company, the Company neither accepted/invited nor remain unpaid or unclaimed any amount of deposit(s).

### **9. CHANGE OF NAME**

There is no change in name of Company and the Company's Name is same as before i.e. "Mohindra Fasteners Limited".

### **10. PRESENT SHARE CAPITAL**

During the year there has been no change in the paid up equity share capital of the Company which stood at Rs. 5.35 Crores. During the year, the Company has neither introduced any sweat equity shares, nor issued any shares with differential voting rights.

### **11. DETAILS OF KEY MANAGERIAL PERSONNEL AND DIRECTORS WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**

#### **Retire By Rotation:**

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013 and other applicable provisions, Mr. Ravinder Mohan Juneja (DIN: 00006496), Managing Director of the Company is liable to retire by rotation at the 24th Annual General Meeting and being eligible, offer himself for reappointment. The Board, recommends his re-appointment. A brief resume of him and other relevant information have been furnished in the notice convening the AGM.

There have been no other changes in the key managerial personnel during the year.

#### **Director:**

Mrs. Anjali Malik resigned as Independent Director of the Company with effect from June 1, 2018. The Board has appointed Mrs. Shamoli Thakur as an Independent women director to hold office with effect from **August 3, 2018 and up to August 2, 2023**, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

A brief resume, details of expertise and other Directorships/Committee memberships held by the above Directors, form part of the Notice convening the 24th AGM of the Company.

Independent Director has declared to the Company that she meets the criteria of independence as provided under Section 149(6) of the Act and SEBI Listing Regulations.

## **12. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a), an extract of annual return in the prescribed format i.e MGT 9 as per section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended as **Annexure-I** to the **Directors' Report**.

## **13. PARTICULARS OF EMPLOYEES**

Pursuant to Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details/information related to the remuneration of Directors and Key Managerial Personnel are set out as **Annexure-II** to the **Directors' Report**.

There is no information required to mention under Rule 5 (2) except statement showing details pertaining to names of the top ten employees in terms of remuneration drawn and various other details related as per Rule 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

Further, the Company has no such employee who falls under Rule 5 (2)(i), (ii) and (iii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Amendment Rules, 2016.

## **14. BOARD AND COMMITTEE MEETINGS**

The Board met five (5) times during the financial year 2017-18, to transact the business of the Company. Details of the Board meetings, including the attendance of Directors at these meetings are covered in the **Corporate Governance Report** forming part of the Annual Report.

The maximum interval between any two consecutive Board meetings did not exceed 120 days.

There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board.

The details pertaining to Composition of the Audit and other committees and the Date of Meetings held and attendance of the Members/Chairperson of the various Committees on such Meetings and other relevant details are provided in the **Corporate Governance Report** which is a part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, SEBI Listing Regulations and other applicable provisions, if any.

## **15. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The current policy is to have appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2018, the Board consists of Six Directors, two of whom are Executive Directors who are also Managing Directors and the one is Non Executive non-Independent Director and three are the non-Executive Independent Directors (one of whom is a woman director).

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed criteria for appointment, performance evaluation and for determining remuneration of Directors, Key Managerial and Senior Management Personnel. The Board has also adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel/Senior Management and other employees, in pursuance of Section 178(3) and Section 134(3) (e) of the Companies Act, 2013 has been disclosed in the **Corporate Governance Report** which is a part of this report.

The Nomination & Remuneration Policy is also available on the website of the Company [www.mohindra.asia](http://www.mohindra.asia).



### **16. DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY**

The Company has received necessary declarations from each of Independent Directors under section 149(7) of Companies Act, 2013 that he/she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations, are appended under section 134(3)(d) as ***Annexure-III*** to the ***Directors' Report***.

None of the Independent Director is due for re-appointment.

### **17. TRAINING AND FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS**

Every new independent director of the Board attends an orientation program. These orientation programmes upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The Company familiarizes its new inductees with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, with the strategy, operations and functions of the company. The executive directors/senior managerial personnel make presentations to the inductees about the Company's strategy, operations, business model of the company and its products, markets, organization structure, finance, quality, facilities and risk management.

Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties & responsibilities. The Format of letter of appointment is available on our website i.e. [www.mohindra.asia](http://www.mohindra.asia).

The Familiarisation programme for Independent Directors is disclosed on the website of the Company at [www.mohindra.asia](http://www.mohindra.asia) under the Investors' Section/Link.

### **18. BOARD EVALUATION**

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Listing Regulations, the Board of Directors carried out an annual performance evaluation of individual Directors including the Chairman, the Board as a whole and its Committees based on the criteria set out by the Nomination and Remuneration Committee. The performance of the Board was evaluated after seeking inputs from individual Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, quality of relationship between the Board and the management, etc.

The Board reviewed the performance of the individual Directors on the basis of criteria such as contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The Board evaluated the performance of the Committees after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, quality of relationship of the Committee and the management, etc.

In addition to above said, in a separate meeting of Independent directors held on March 19, 2018, performance of non independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive and Non-executive directors.

### **19. COMMITTEES OF THE BOARD**

As on March 31, 2018, the Board has four committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder's Relationship Committee and the Corporate Social Responsibility Committee.

Our Committee's composition meets with the provisions of the Companies Act, 2013 & rules made thereunder and in accordance with the Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended up to the date.

A detailed note on the composition of the Board and its committee's with other details regarding all the Committees are provided in the ***Corporate Governance Report*** which is a part of this report.



## **20. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

During the year, there are no Subsidiary, Joint Ventures and Associate Company(s) of the Company.

## **21. AUDITORS**

### **I. Statutory Auditors**

**M/s. B. L. Khandelwal & Co.,** (Firm Registration No.: 000998N), Chartered Accountants, 1, Doctor Lane, Gole Market, New Delhi –110001 were appointed as Statutory Auditors of your Company at the 23rd Annual General Meeting held on 28th September, 2017, for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors has to be ratified by members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, the rules Companies (Audit and Auditors) Rules, 2014, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

#### **Statutory Auditors' Report**

The report given by the Auditors on the financial statement for the Financial Year 2017-18 of the company is part of this Report. There has been no qualification, reservation or adverse remark or disclaimer given by the Auditors in their report.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments by the Board of Directors as per section 134 (3)(f) of the Act.

### **II. Secretarial Auditors**

In terms of Section 204 of the Companies Act, 2013 & rules made there under and on the recommendation of the Audit Committee, the Board has re-appointed **M/s Anand Nimesh & Associates**, Practicing Company Secretaries, 183B, Second Floor, Gurudwara Road, West Guru Angad Nagar, Laxmi Nagar, New Delhi-110092, as a Secretarial Auditor of the Company for FY 2018- 19 at the board meeting held on May 29, 2018.

#### **Secretarial Auditors' Report**

There has been no qualification, reservation or adverse remark or disclaimer in their Report for the Financial Year 2017-18. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

The said Secretarial Audit Report is annexed as **Annexure–IV** to the **Directors' Report**.

#### **The Secretarial Auditor has two observations:**

1. *The promoter's shareholding of the company is not 100% in Demat form as mandatory according to the circular issued by the SEBI in this regard.*
2. *One of the promoter/shareholder of the company has filed a complaint against the company, on various point with The Registrar of companies, NCT of Delhi and Haryana, upon which the Registrar of company vide letter No-ROC/DI COMPOLTNDDING/ 12400 has asked company to file separate compounding application for all matter. The Company has filed the compounding application with the Registrar of Companies in its reply. The above said matter is under jurisdiction of the office of the Registrar of companies, NCT of Delhi and Haryana, so, we hereby, do not comment in the matter till the matter finally is settled out.*

Further, the secretarial audit report is self-explanatory and does not call for any further explanation or comments by the Board of Directors as per section 134 (3)(f) of the Act, except your Board of Directors wish to clarify the above stated observations:

1. The Board of Directors would like to inform that your Company has complied with this mandatory requirement of SEBI circular i.e. our 100% Promoter and Promoter group Shareholding is in dematerialised form after we got the necessary exemptions and approval thereto from the Metropolitan Stock Exchange of India Limited (MSEI) on May 29, 2018 in Pursuant to SEBI Circular No. SEBI/Cir/ISD/1/2012 issued on March 30, 2012.

Since your company has complied with all the necessary criteria in respect of Minimum promoter and/or public shareholding which are in dematerialised form, hence your company shall now take adequate steps to get the scrip traded on MSEI at the earliest.

2. The Company received Show Cause Notice (SCN) dated 03rd June, 2016 from the Ministry of Corporate Affairs which raised some points and called for the explanations on the same. The Company filed detailed replies to the SCN vide dated 20th June, 2016 and also filed the compounding applications under section 621A of the Companies Act, 1956 in the best interest of the Company, for saving time, cost and to quickly close the matter and for compounding of the contraventions alleged in the SCN, which if at all, are technical or procedural in nature.

The adjudication thereof is pending from Hon'ble ROC and hence the possible consequences arising out of same on the Company are not presently ascertainable.

### III. Internal Auditors

Pursuant to Section 138 of the Companies Act, 2013 & Rules made there under and on the recommendation of Audit Committee, the Board has appointed **M/s Gupta Vivek & Co.**, Chartered Accountants, (FRN: 021552N), having its office at 4754-57F-6, Akarshan Bhawan, 23 Ansari Road, Daryaganj, New Delhi-110002, as a Internal Auditor of the Company for FY 18- 19 at the board meeting held on May 29, 2018.

#### Internal Audit & Controls

During the year, the Company continued to implement their suggestions and recommendations to improve and control the environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

### IV. Cost Auditor

As per Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed **M/s. Sanjay Kumar Garg & Associates**, Cost Accountants, New Delhi (FRN: 100292) being eligible and having sought Appointment, as Cost Auditors of the Company, to carry out the cost audit in relation to the financial year ended March 31, 2019. The Company has received his written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of Companies Act, 2013 and rules thereunder, the requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the Notice of the 24<sup>th</sup> Annual General meeting of your Company.

## 22. ISSUE OF EMPLOYEE STOCK OPTIONS

During the year, there was no issue of any kind of security under Employee Stock Option Scheme by the Company.

## 23. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a Mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism and Whistle blower policy which provides a channel to the Employees and Directors to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy.

The Company has provided email address of Vigilance and Ethics Officer in its policy to which all protected disclosures should be addressed. It is affirmed that no person has been denied access to the Audit Committee. The employees are encouraged to voice their concerns by way of whistle blowing and the policy provides complete confidentiality and safeguard of the employees who raises the whistle against such improper conduct. The Whistle Blower Policy has been communicated to all the Directors and employees of the Company through website of the Company i.e. [www.mohindra.asia](http://www.mohindra.asia).

## **24. MATERIAL CHANGES AND COMMITMENTS**

Except the events disclosed elsewhere in the Annual Report, no material changes and commitments, that could affect the financial positions of the Company's, has occurred between the end of the financial year of the Company to which financial statements relates and date of the this report.

## **25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no such significant and material orders passed by the regulators or courts or tribunals, impacting the going concern status and company's operations in future.

## **26. INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has an independent firm of Internal Auditors that scrutinizes the financials and other operations of the Company. Based on the framework of internal financial controls and compliance systems, established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

ACEO and CFO Certificate forming part as **Annexure A** to the **Corporate Governance Report** as per the regulation 17(8) of SEBI (LODR) Regulation, 2015 confirm the accuracy of financial statements and existence of effective Internal Control Systems and procedures in the Company.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms integral part of Directors' Report.

## **27. LOANS, GUARANTEES OR INVESTMENTS**

### **Details of Loans:-**

During the year, the Company has not directly or indirectly, given any loan to any person(s) or other body corporate.

### **Details of Investments:-**

During the year, the Company has not directly or indirectly acquire, by way of subscription, purchase, invest or otherwise, the securities of any other body corporate. Further former investments made and stand in the Financial Statements are mentioned in the Financial Statements annexed to this report.

### **Details of Guarantee / Security Provided:-**

During the year, the Company has not directly or indirectly, given any guarantee or provided any security in connection with a loan to any other body corporate or person(s).

## **28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All the related party transactions which were repetitive in nature, entered on arm's length basis in the ordinary course of business and compliance with Section 188 (1) of the Companies Act 2013 read with rules made there under, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Law. However, none of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013 and no material related party transactions were entered during the Financial Year by your Company. Hence no Board of Directors and Members approval requires for any transaction.

All related party transactions are placed before the Audit Committee for review and approval on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. Omnibus approval was obtained for all the related party transactions, which were repetitive. The Related Party Transactions Policy as approved by the Board, was uploaded on the Company's website pursuant to Regulation 46 of the SEBI (LODR) Regulations, 2015 at the web link: [http://www.mohindra.asia/mfl/policies\\_and\\_code.html](http://www.mohindra.asia/mfl/policies_and_code.html). The information relating to particulars of contracts or arrangements with related party prepared under Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rule, 2014 is in **Form AOC-2** is appended as **Annexure-V** to the **Directors' Report** as required, although it's not applicable.

Details of the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to note no. 37 to the financial statements which sets out related party disclosures pursuant to Ind AS 24.

### **29. DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a **Prevention of Sexual Harassment of Women at Workplace** Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at workplace and the Policy aims to provide protection to Women employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Women employees feel secure.

The said Act makes it mandatory for every Company to constitute an internal complaints committee ("ICC") which entertains the complaints made by any aggrieved women, to look into complaints relating to sexual harassment of any women employee at work place. In order to comply with, the Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee (formerly named as Internal Complaint Committee ("ICC")) to implement the policy for prevention of Sexual Harassment of Women at workplace and to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any written complaint of sexual harassment during the financial year 2017-18.

The Composition, date of meetings, attendance and other detailed information are provided in the **Corporate Governance Report** which is a part of this report.

### **30. DIRECTORS' RESPONSIBILITY STATEMENT**

**Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:**

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for 31st March, 2018;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **31. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is appended as **Annexure-VI** to the **Directors' Report**.

### **32. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

Your Company's Human Resource Management focus continues to be in making available a talent pool, for meeting challenges in the competitive market place, which is increasingly becoming tougher. Development plans have been drawn up for key managers to shoulder higher responsibilities as well as to increase their job effectiveness. Your Company always encourages young personnel with their ideas and views. Management is easily accessible to the employees and their problems are attended to promptly. The employer – employee relations remained cordial at all the plants of the Company and peaceful throughout the year.

Your Company considers people as its biggest assets. Human Resources are key to success of MFL. Your Company continuously invests in retention and development of talent on a continuous basis. Your Company's thrust is on the promotion of talent internally through Job rotation and job enlargement.

Your Company ensures that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. Your Company continues to reward to its talented employees at all levels to recognize every effort made towards improvement in the workplace.

Your Company is privileged to have in its team, more than 65 members who have spent over 10 years of service in this organization. It also boasts, of about 15 members who have been since incorporation of the company and have spent a little over 20 years. The Company places its appreciation on record to all the above members.

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts, it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company 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. The Company has also elaborated processes in place to prevent discrimination and harassment including sexual harassment, in caption of this Prevention of Sexual Harassment (POSH) Committee has been constituted. Whistle blower policy/vigil mechanism policy is also in place.

The Company encourages its team members to participate in external /internal trainings in Techno/Commercial to enhance their skills.

Industrial relations have been harmonious in all units.

During the financial year 2017-2018, the numbers of permanent employees on the pay rolls of the company were **376** as on 31<sup>st</sup> March, 2018.

### **33. SAFTY, HEALTH AND ENVIRONMENT MEASURES**

No business objective can be deemed more important than the physical safety of all of our employees and associates. Each one of us should try and make it our personal mission to translate this belief into reality. Only if ensuring the safety of our people becomes a mission will it be possible for us to raise the bar on safety and reach standards.

Your Company firmly believes in the ethos of the above message and we work in the directions of our safety and health standards and continuously improve them. Our leadership Team continuously works towards establishing, sustaining and improving the safety culture. Alongside it is our endeavor to adopt best practices to raise the bar on safety.

Your Company shares the 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 Mohindra Fasteners Limited has been awarded **ISO 14001:2015 & OHSAS 18001:2007**.

Protection of environment is the prime concern of your company. Your Company complies with the relevant laws and regulations as well as taken additional measures, considered necessary to prevent pollution, maximize recycling of products, reduce waste, discharges and emissions. Your Company conserves natural resources by their responsible and efficient use in all the operations.



### **34. CASH FLOW STATEMENT**

In compliance with the provision of SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018 is annexed along with the financial statements in this report. The Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 “Statement of Cash Flows” issued by the Institute of Chartered Accountants of India.

### **35. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In terms of the provisions of Section 135 of the Act your Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report forming part of this report. The Company has also formulated a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act. As part of its CSR contribution, the Company had utilized its contribution through “Hans Vahini Shiksha Smiti” a registered educational society, under Society Registration Act XXI of 1860 at B-19, Ground Floor, Swasthya Vihar, Delhi-110092, with the objectives of development of Educational Institutions of Global Standards in India.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any modification or re-enactment thereof, for the time being in force), the Annual Report on CSR activities is appended as **Annexure-VII** to the **Directors’ Report**. The policy on CSR is available on the website of the Company i.e. [www.mohindra.asia](http://www.mohindra.asia).

### **36. CORPORATE GOVERNANCE**

Your Company believes in adopting best practices of corporate governance and adheres to the standards set out by the Securities and Exchange Board of India. Corporate governance is about maximizing shareholder’s value legally, ethically and sustainably. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the this Annual Report together with a Compliance Certificate issued by Statutory Auditors regarding compliance of conditions of corporate governance is appended as **Annexure B** to the **Corporate Governance Report**.

### **37. MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to regulation 34 & Schedule V of SEBI Listing Regulations, The Management Discussion and Analysis Report provides an overview of the affairs of the Company, its business outlook, opportunities and threats, internal control systems and their adequacy, operational performance, risks & concerns, strategies, prospects, Material developments in Human Resources / Industrial Relations etc. The Management Discussion and Analysis Report is appended as **Annexure-VIII** to the **Directors’ Report** for the year ended 31<sup>st</sup> March, 2018.

### **38. INDIAN ACCOUNTING STANDARDS**

The Company has adopted the Ind AS standards w.e.f. April 1, 2017 in accordance with AS 101, First-time adoption of Indian Accounting Standards. The transition was carried out from the Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the previous GAAP.

### **39. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed/claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules also mandate companies to transfer shares of Members whose dividends remain unpaid/unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend/shares are transferred to the IEPF Authority can claim their shares/dividend from the Authority only.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority in the year 2018-19 and simultaneously published the newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent amendments thereto up to the date, your company amount of **Rs. 54,050 (Rupees Fifty Four Thousand Fifty only) of unpaid/unclaimed dividends and 18,100 shares** were transferred during the financial year 2017-18 to the Investor Education and Protection Fund ("IEPF"), in order to compliance with the provisions of the Rules.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th September, 2017 (date of last AGM) on the Company's website [http://mohindra.asia/mfl/list\\_of\\_unpaid\\_dividend.html](http://mohindra.asia/mfl/list_of_unpaid_dividend.html) and on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in/](http://www.iepf.gov.in/).

The Members whose dividend / shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

The Company has appointed a Nodal Officer for the purpose of coordination with the IEPF Authority under the provisions of IEPF, the details of which are available on the website of the Company [http://mohindra.asia/mfl/shareholder\\_corner.html](http://mohindra.asia/mfl/shareholder_corner.html).

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

#### **40. CREDIT RATING**

The Company continues to enjoy the credit ratings from ICRA Limited, which reflects the Company's financial discipline and prudence. Our strong credit quality has been continuously substantiated by ICRA:

ICRA has upgraded the Credit Rating of Long Term Bank facilities for the captioned line of Credit (LOC) from **[ICRA] BBB- (pronounced ICRA triple B minus) to [ICRA]BBB (pronounced ICRA triple B)** and;

ICRA has upgraded the Credit Rating of Short Term Bank facilities for the captioned line of Credit (LOC) **[ICRA] A3 (pronounced ICRA A three) to [ICRA] A3+ (pronounced ICRA A three plus)** of the Company.

Backed by our strong product portfolio and improved efficiencies and with the industry expected to grow over the medium term, we are confident of strong growth in the coming years.

#### **41. LISTING INFORMATION**

The Securities of your company are listed at **Metropolitan Stock Exchange of India Limited (MSEI)** w.e.f 30<sup>th</sup> September, 2016. The scrip was initially listed at Rs. 65.10 and the symbol/scrip code named as "MFL". The Annual Listing Fees for the year 2018-19 has been paid to the Stock Exchange and there are no arrears. The MSEI has nation-wide trading terminals and therefore provides full liquidity to the investors.

Further your company's shares have not yet started trading on Metropolitan Stock Exchange of India Limited (MSEI), due to not achieving the mandatory requirement of 100% Promoter's share holding in De-mat form by the end of the reporting period.

However, now your company has achieved that mandatory requirement of SEBI after we got the necessary exemptions from the Metropolitan Stock Exchange of India Limited in specified cases in pursuant to SEBI Circular no. SEBI/Cir/ISD/1/2012, in the month of May, 2018. The Company shall take adequate steps to get the scrip traded on MSEI at the earliest.

## MOHINDRA FASTENERS LIMITED

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The Company has paid the annual custody fees for the year 2018-19 to the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The shares of the Company are compulsorily traded in dematerialised form.

### **ACKNOWLEDGEMENT**

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

Your Directors wish to thank all the employees of the Company for their dedicated service, their commitment and contribution towards the growth of the company during the year. The Board would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from Bankers, financial institutions and other stakeholders.

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

Your Directors thank to all the shareholders for their confidence in the Company and the company looks forward to their continued support.

**For and on behalf of the Board**

**Place: New Delhi**  
**Date: 03<sup>rd</sup> August, 2018**

**Deepak Arneja**  
**DIN: 00006112**  
**Chairman Cum**  
**Managing Director & CEO**



## REPORT ON CORPORATE GOVERNANCE

### Our Corporate Governance Philosophy

Mohindra Fasteners Limited ("MFL" or "Company") firmly believes in and continues to practice good corporate governance. Corporate Governance seeks to raise the standards of corporate management, strengthens the Board systems, significantly increases its effectiveness and ultimately serve the objective of maximising shareholders' value. The philosophy of the Company is in consonance with the accepted principles of good governance.

The spirit of corporate governance has always remained imbibed in the Company's business philosophy. This philosophy is shaped by the values of transparency, professionalism and accountability. Strong Board oversight, timely disclosures, transparent accounting policies and highest levels of integrity in decision making drive the Company's Corporate Governance Practices. Good corporate governance is the set of best processes, customs, policies, laws and practices which an organisation follows in its operations and dealings, aiming towards ensuring transparency, accountability, and creating long term value for the stakeholders. MFL has put in place robust internal control systems and audit processes that are subjected to regular assessments for their effectiveness. MFL commitment to ethical and lawful business conduct, as defined in its Code of Business Conduct, is a basic shared value of the Board of Directors and its employees. This reinforces integrity of management and fairness in Company's dealing with its stakeholders. MFL maintains the highest level of transparent and fair disclosures that help it earn the trust of its investors and business partners.

In the context of modern business environment where the stakeholders are scattered all over the country, the Company feels that their participation and involvement in the affairs of the Company can be achieved only through professional approach and better corporate governance. The Company has recognized its importance long before the introduction of erstwhile Clause 49 of the Listing Agreement, now Regulation 17 to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has always believed in self-discipline and adherence to proper and efficient system. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The entire process begins with the functioning of the Board of Directors, with leading professionals and experts serving as independent Directors and represented in the various Board Committees. Systematic attempt is made to eliminate informational asymmetry between executive and non-executive directors. Key elements in the Corporate Governance are transparency, accountability and equity, in all facets of its operations, and all interactions with its stakeholders, including the shareholders, employees, the Government and the Bankers.

The amended regulations have increased/lengthen the time frame required to intimate the Stock Exchange(s) and add various disclosures and policies to foster transparency and to strengthen the governance regime. The amended norms are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to adopt best practices on corporate governance. Our corporate governance framework has helped us to align with the new guidelines of the Companies Act, 2013. We believe that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. At Mohindra Fasteners Limited ('The Company'), the Board of Directors ('The Board') is at the core of our corporate governance practice. The Board thus oversees the Company's Management function and protects the long-term interests of our stakeholders.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

### Kotak Committee on Corporate Governance

The Securities and Exchange Board of India ('SEBI') accepted some of the recommendations with or without modifications on 28th March, 2018 of the Kotak Committee on Corporate Governance and consequently, on 9<sup>th</sup>-10<sup>th</sup> May, 2018 the SEBI amended (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Your Company welcomes this progressive step of SEBI. The Company shall ensure that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

## MOHINDRA FASTENERS LIMITED

### The Board of Directors

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

### Composition

The current policy is to have an appropriate mix of Executive, Non Executive and Independent Directors to maintain the independence of Board and separate its functions of governance and management.

As on **31<sup>st</sup> March, 2018**, the Board consists of **6 (six)** Directors, out of which two are Executive Directors and four are Non-Executive Directors i.e. majority of the board; amongst the Non-Executive Directors, three are Independent Directors including a Woman Director, The Board is primarily responsible for overall management of the Company's business. The directors on the board are from varied fields with suffice range of skills, possess relevant qualifications and experienced general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Director.

Mrs. Anjali Malik, non-executive Independent Director resigned from the Board w.e.f June 01, 2018. The Board of Directors of the Company have appointed Mrs. Shamoli Thakur as an non-executive Independent women Director to hold office with effect from **August 03, 2018 and up to August 02, 2023**, not liable to retire by rotation subject to the approval of shareholders at this 24<sup>th</sup> Annual General Meeting of the Company.

On an annual basis, the Company obtains from each Director details of the Board and Board Committee positions she / he occupies in other Companies and changes, if any, regarding their Directorships. In addition, the Independent Directors provide an annual confirmation that they meet the criteria of independence as defined under Section 149(6) on an annual basis of the Companies Act, 2013.

As Per Regulation 26 of the SEBI Listing Regulations, None of the Director on the Board is a Member in more than 10 Committees and Chairperson of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee), across all Public Limited Companies (whether listed or not) in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors holds office in more than 20 companies in which not more than 10 public companies.

### Details of Board Meetings

The Company held 5 (Five) Board Meetings during **Financial Year 2017-18** and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held is mentioned herein below:

Sr. No.	Date of Board Meeting	Board Strength	Total No. Directors Present at the Meeting
1.	27.05.2017	6	5
2.	21.07.2017	6	4
3.	28.07.2017	6	3
4.	23.11.2017	6	3
5.	12.02.2018	6	4

Further, it is to be mentioned that **2 (Two) Board Resolutions passed by circulation as per the Companies Act, 2013 and rules made thereunder read with Secretarial Standards issued by ICSI** on 06.05.2017 and 27.09.2017, which then further placed and adopted at the subsequent Board Meetings held on 27.05.2017 and 23.11.2017.

### Category and Attendance of Directors

The composition of the Board, outside Directorships and Memberships or Chairmanships of Board Committees as on March 31, 2018 is given below:

Sr. No.	Name of Director	Category	Date of Appointment	No. of Other Directorships in other Public Companies (Excluding MFL) and Committee Membership in other public companies (including MFL) (As on 31.03.2018)			
				Directorships		Committee Membership	
				Chairman	Member	Chairman	Member
1.	Mr. Deepak Arneja (Managing Director & CEO) DIN:00006112	Promoter, Chairman-Executive Director	10.01.1995	-	-	-	2
2.	Mr. Ravinder Mohan Juneja (Managing Director) DIN:00006496	Promoter, Executive Director	10.01.1995	-	-	-	1
3.	Mr. Vinod Kumar DIN:02303504	Independent, Non-Executive Director	21.12.2013	-	1	2	-
4.	*Mrs. Anjali Malik DIN:06875087	Independent, Non-Executive Director	30.04.2014	-	-	-	-
5.	Mr. Gagandeep Singh Narang DIN:00179636	Promoter, Non-Executive, Non Independent	15.02.2016	-	-	-	-
6.	Mr. Ved Prakash Chaudhry DIN: 07572208	Independent, Non Executive Director	30.07.2016	-	-	-	1

As per Regulation 26 of Listing Regulations:

- excludes directorships in foreign companies, companies registered under Section 8 of the Companies Act, 2013, private limited companies and alternate directorships.
- represents Membership(s)/Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies.

\*Mrs. Anjali Malik has resigned from the directorship of the Company w.e.f 01/06/2018 and Mrs. Shamoli Thakur has been appointed as Independent Women Director in place of her w.e.f 03/08/2018.

The attendance of each Director at all meetings of Board of Directors and at the last Annual General Meeting held during the FY 2017 - 18:

## MOHINDRA FASTENERS LIMITED

The attendance of each Director at all meetings of Board of Directors and at the last Annual General Meeting held during the FY 2017-18:

Name of Director	Attendance at the Board Meetings held on					Attendance at AGM held on 28 <sup>th</sup> September, 2017
	27.05.2017	21.07.2017	28.07.2017	23.11.2017	12.02.2018	
Mr. Deepak Arneja	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravinder Mohan Juneja	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Vinod Kumar	Yes	Yes	No	No	No	Yes
Mrs. Anjali Malik	No	No	No	No	Yes	No
Mr. Gagandeep Singh Narang	Yes	No	No	No	No	No
Mr. Ved Prakash Chaudhry	Yes	Yes	Yes	Yes	Yes	Yes

Leave of absence was obtained by Directors and granted in all cases of absence and no one has abstained himself/herself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence from the Board. Hence, no one falls under the limit of section **167(1)(b)** of the Companies Act, 2013.

- The necessary quorum was present for all the meetings.
- During the year **2017 - 18**, the minimum information as mentioned in Part A of Schedule II of the SEBI Listing Regulations has been placed before the Board for its consideration.
- The format of Appointment letter including their terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
- The Board periodically reviews the compliance reports of laws applicable to the Company, as prepared.
- **Relationships of Directors inter-se**  
None of the Director(s) are inter-se related to each other.
- **Shareholding of Non Executive Directors:**

Non Executive Director	No. of Equity Shares of Rs. 10/- each
Mr. Gagandeep Singh Narang	65300
Mr. Vinod Kumar	2000
Mr. Ved Prakash Chaudhry	Nil
Mrs. Anjali Malik	Nil

- **Familiarisation Programmes for Independent Directors**

The Company has put in place a system to familiarize its Independent Directors about the Company, its product, the industry and business model of the Company, etc. Familiarisation Programme is available on the website of the Company i.e. [www.mohindra.asia](http://www.mohindra.asia).

### Board Procedure

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and notice of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

Minimum one meeting in each quarter and 4 meetings of the Board are held every year and with a gap of not more than 120 days between two meetings.

The Company Secretary's duty is to prepare and provide Agenda as well as other requisite information to the members of the Board. Board Meetings are open forum for the members of the Board to discuss and deliberate upon growth and development plans of the Company. The Minutes of the proceedings of every Board Meeting, General Meeting are circulated & recorded in Minutes Book within time as stipulated.

Chief Financial Officer and Company Secretary attend all the Board meetings. Company Secretary provides assistance to the Chairman in conducting Board Meetings and also advises the Board on compliance and governance matters. Chief Financial Officer assist the Board on financial results, budgets and related matters.

Company Secretary, as per requirements of the Secretarial Standards, records the minutes of the proceedings of the meetings and circulates them to all the Directors within 15 days from the conclusion of the meeting for their review and comments. Minutes are thereafter recorded in the Minutes Book within 30 days from the date of conclusion of the meeting. Certified copies of the signed minutes are provided to the Board Members.

### **Responsibilities of the Chairman/ Chief Executive Officer/Managing Director**

Currently Our Company has two Managing Directors (MD), Mr. Deepak Arneja and Mr. Ravinder Mohan Juneja. Mr. Deepak Arneja is Chairman & CEO also.

#### **The responsibility and authority of these officials are as follows:**

- The Chairman will be responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long term benefit of the Company and its Stakeholders;
- The Chairman is primarily responsible for ensuring that the Board provides effective governance for the Company, in doing so, the Chairman will preside at meetings of the Board and at meetings of the shareholders of the Company;
- The Chairman will take a lead role in managing the Board and facilitating effective communication among directors;
- The Chairman will be responsible for matters pertaining to governance including the organization and composition of the board and conduct of Board meetings, effectiveness of the Board, assist Board committees and individual directors in fulfilling the responsibilities;
- The Chairman will provide independent leadership to the Board, identify guidelines for the conduct and performance of directors, oversee tire management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.
- The Chairman will actively work with the nomination and remuneration committee to plan the Board and Board committees' composition, participate in the Board effectiveness evaluation process.
- The CEO & MD is responsible for corporate strategy, Brand Equity, planning, external contacts and all managing matters and also responsible for achieving annual business targets.

### **Board Membership Criteria**

The nomination and remuneration committee work with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members are expected to possess the required knowledge, skills, integrity expertise and experience for the position. They should also possess deep expertise and insights in sectors/areas relevant to the Company and ability to contribute to the Company's growth.

The Company shall not appoint or continue the employment of any person who has no knowledge/insights and does not possess ability to contribute to Company's growth. The Company shall not appoint or continue the employment of any person who has attained the age of 70 years as Managing Director/Executive Director. The term of that person, holding this position may be extended at the discretion of the committee beyond the age 70 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed with the notice for such motion indicating the justification for extension of appointment beyond 70 years as the case may be. Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with their responsibilities with us.

### Selection of new directors

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process involved in selecting new directors to the nomination and remuneration committee, which consists exclusively of independent directors. The nomination and remuneration committee, based on defined criteria, makes recommendations to the Board on the induction of any new director(s).

### Membership term

The Board constantly evaluates the contribution of the members and accordingly share updates with the shareholders about re-appointments consistent with applicable statutes. The current law in India mandates two-third of the non-independent directors (who are liable to retire by rotation) every year, and qualifies the retiring members for re-appointment. Executive directors are appointed by the shareholders for the tenure of maximum period of five years, but are eligible for re-appointment upon completion of their term, subject to the applicable laws. An independent director shall hold office for a term up to five consecutive years on the Board of Company and will be eligible for re-appointment on passing of a special resolution by the Shareholders.

### Code of Conduct

The Company has adopted the **Code of Conduct for all Board Members and Senior Management** of the Company which also incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code requires the Directors and employees of the Company to act honestly, ethically and with integrity. This Code is also posted on the website of the Company [www.mohindra.asia](http://www.mohindra.asia).

The compliance of the Code is to be affirmed annually by the Directors and senior management personnel. All the Board Members and senior management personnel to whom the Code is applicable have affirmed the compliance with the Code as on March 31, 2018. The Annual Report of the Company contains a certificate by the Managing Director & CEO in this regard annexed as **Annexure C** to the **Corporate Governance Report**.

It is hereby certified that all the members of the Board and senior management personnel have confirmed the compliance with the Code during the financial year 2017-18 and there has been no instances of violation of the Code and there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

### Separate Meeting of Independent Directors

During the financial year 2017-18, Independent Directors met once separately without the presence of Executive/ Non Independent Directors and members of Management and evaluated:

1. the performance of Non Independent Directors and the Board of Directors as a whole.
2. the performance of the Chairman, with due weightage to the views of Executive and Non- Executive Directors.
3. the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Views of the Independent Directors were communicated to the Board.



## Committees of the Board

The details of the committees, that have been formed considering the needs of the Company and best practices of Corporate Governance as on March 31, 2018 are as follows:

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
Statutory Committees				
<b><u>AUDIT COMMITTEE</u></b>	Committee is constituted in line with the provisions of Regulation 18 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Act.: <ul style="list-style-type: none"><li>Oversight of financial reporting process.</li><li>Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.</li><li>Evaluation of internal financial controls and risk management systems.</li><li>Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.</li><li>Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.</li><li>Audit Committee review all the information, listed in Para B of Part C of Schedule II of the SEBI Listing Regulations and other applicable provisions, laws, rules and regulations, if any.</li><li>All items listed in part C of Schedule II of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 &amp; other applicable provisions, rules, laws and regulations if any.</li></ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"><li><b>4 (Four)</b> Audit Committee meetings were held during the year as on, 26<sup>th</sup> May, 2017, 27<sup>th</sup> July, 2017, &amp; 22<sup>nd</sup> November, 2017, 10<sup>th</sup> February, 2018 and the gap between two meetings did not exceed one hundred and twenty days.</li><li>Committee invites such of the executives, as it considers appropriate. The Chief Financial Officer(CFO), Mr. Sunil Mishra, is an abiding invitee of the Committee meeting.</li><li>Company Secretary of the Company acted as the Secretary of the Meeting.</li><li>The last Annual General Meeting was held on 28<sup>th</sup> September, 2017 and attended by Mr. Vinod Kumar, Chairman of Audit Committee.</li><li>During the year, in every meeting all the Committee members were present.</li><li><b>Mrs. Anjali Malik stepped down as the member of the Committee w.e.f. 22<sup>nd</sup> November, 2017 and Mr. Ved Prakash Chaudhry has been appointed as member of the committee in place of her.</b></li></ul>
		Mr. Vinod Kumar (Chairman)	Non Executive Independent Director	
		Mr. Deepak Arneja	Executive Director	
		*Ms. Anjali Malik	Non Executive Independent Director	
		*Mr. Ved Prakash Chaudhry	Non Executive Independent Director	

## MOHINDRA FASTENERS LIMITED

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
Statutory Committees				
<b><u>NOMINATION AND REMUNERATION COMMITTEE</u></b>	Committee is constituted in line with the provisions of Regulation 19 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 178 of the Act.  <ul style="list-style-type: none"><li>Determine/recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;</li><li>Determine/ recommend the criteria for qualifications, positive attributes and independence of Director;</li><li>Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;</li><li>Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.</li><li>Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning.</li><li>Oversee familiarisation programmes for directors.</li><li>Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies.</li><li>The Nomination &amp; Remuneration Committee review all the information, listed in Para A of Part D of Schedule II of the SEBI (Listing Obligation &amp; Disclosure Requirements) Regulation, 2015, and other applicable provisions, laws, rules and regulations of the Companies Act, 2013.</li></ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"><li><b>1 (One)</b> Committee meetings were held during the year i.e., as on 22<sup>nd</sup> November, 2017.</li><li>During the year, in every meeting all the Directors were present.</li><li>Details of Performance Evaluation Criteria and remuneration policy are detailed below to this table.</li><li>The Chairman of the Nomination and Remuneration Committee, Mr. Vinod Kumar was present at the 23<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017 of the Company</li><li><b>Mrs. Anjali Malik stepped down as the member of the Committee w.e.f. 22<sup>nd</sup> November, 2017 and Mr. Ved Prakash Chaudhry has been appointed as member of the committee in place of her.</b></li></ul>
		Mr. Vinod Kumar (Chairman)	Independent, Non-Executive	
		*Ms. Anjali Malik	Independent, Non-Executive	
		Mr. Gagandeep Singh Narang	Non-Independent, Non-Executive	
		*Mr. Ved Prakash Chaudhry	Independent, Non-Executive	



Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
Statutory Committees				
<b><u>STAKE-HOLDER'S RELATIONSHIP COMMITTEE</u></b>	Committee is constituted in line With the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 178 of the Act. <ul style="list-style-type: none"><li>Consider and resolve the grievances of security holders.</li><li>Consider and approve issue of share certificates, transfer and transmission of securities, etc.</li><li>Redressal of serious complaints received from shareholders/ investors on non-receipt of shares after transfer in the physical form, complaints on Non-receipt of annual report, Non receipt of declared dividends etc.</li><li>Set forth the policies relating to and to oversee the implementation of policy for Prevention of Insider and to review the concerns received under the MFL Code of Conduct.</li><li>The Stakeholder's Relationship Committee review all the information, listed in Para B of Part D of Schedule II of the SEBI (Listing Obligation &amp; Disclosure Requirements) Regulation, 2015, and other applicable provisions, laws, rules and regulations of the Companies Act, 2013.</li></ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"><li><b>12 (Twelve)</b> Committee meetings were held during the year i.e. 29<sup>th</sup> April, 2017, 26<sup>th</sup> May, 2017, 24<sup>th</sup> June, 2017, 29<sup>th</sup> July, 2017, 26<sup>th</sup> August, 2017, 23<sup>rd</sup> September, 2017, 25<sup>th</sup> October, 2017, 22<sup>nd</sup> November, 2017, 29<sup>th</sup> December, 2017, 30<sup>th</sup> January, 2018, 28<sup>th</sup> February, 2018 and 28<sup>th</sup> March, 2018.</li><li>All the committee members were present all the committee meetings during the year.</li><li>During the year, 27(twenty seven) complaints were received from shareholders/ investors, all of which have been resolved to the satisfaction of the shareholders. There are no such pending Complaint as at 31<sup>st</sup> March, 2018.</li></ul>
		Mr. Vinod Kumar (Chairman)	Independent, Non-Executive Director	
		Mr. Ravinder Mohan Juneja	Executive Director	
		Mr. Deepak Arneja	Executive Director	
Statutory Committees				
<b><u>CORPORATE SOCIAL RESPONSIBILITY</u></b>	Committee is constituted in line with the provisions of Section 135 of the Act. <ul style="list-style-type: none"><li>Formulate and recommend to the board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.</li><li>Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.</li><li>Monitor the CSR Policy.</li><li>Review all other matters as applicable under any provisions, laws, rules and regulations of the Companies Act, 2013.</li></ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"><li><b>1(One)</b> Committee meeting was held during the year i.e., on 10<sup>th</sup> February, 2018.</li><li>During the year, all the Committee Members were present in all the meetings.</li></ul>
		Mr. Deepak Arneja (Chairman)	Executive Director	
		Mr. Ravinder Mohan Juneja	Executive Director	
		Mr. Vinod Kumar	Independent, Non-Executive Director	

## MOHINDRA FASTENERS LIMITED

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
Other Committees				
<b><u>PREVENTION OF SEXUAL HARASSMENT COMMITTEE (POSH)</u></b>	The Company had constituted Prevention of Sexual Harassment (Posh) Committee (Earlier named as internal complaints committee for women) which entertains the complaints made by any aggrieved women to look into complaints relating to sexual harassment of any women employee at work place.	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"><li>• <b>01 (One)</b> Committee meeting was held during the year i.e., on 19<sup>th</sup> March, 2018 attended by all the Committee Members.</li><li>• Company has adopted this policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy with effect from 30<sup>th</sup> January, 2015.</li></ul>
		Ms. Nidhi Pathak (Presiding Officer)	Company Secretary	
		Mrs. Dimpy Makar	Export Executive	
		Mr. Vinod Sharma	Manager, Personnel & Administration Department	
		Mr. Feroze Abbasi	Member of NGO	

### **NOMINATION AND REMUNERATION POLICY**

Our Policy on the appointment and remuneration of directors and Key Managerial Personnel, Senior Management provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to section 178(4) of the Companies Act, 2013 and Regulation 19 read with the Part D of Schedule-II of SEBI Listing Regulations.

#### **INTRODUCTION**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of directors, Senior Management, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations to pay equitable remuneration to the directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

#### **OBJECTIVES AND PURPOSE OF POLICY:**

To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and recommend to the Board, policies relating to the remuneration of the Directors, KMPs, Senior Management, any other employees.

#### **GOVERNANCE GUIDELINES:**

The Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Managing Directors and Other Directors, Board diversity, definition of independence, Directors' term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Directors' remuneration, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

#### **PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS:**

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial conditions and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidate's vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board.

## **CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:**

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and Regulation 19 read with Part D of schedule II of SEBI Listing Regulations.

### **INDEPENDENCE OF INDEPENDENT DIRECTORS:**

In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meet with the criteria for 'Independent Director' as laid down in the Section 149(6) of the Act and Regulation 16(1)b of SEBI Listing Regulations.

### **QUALIFICATIONS:**

A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

### **POSITIVE ATTRIBUTES:**

In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, good interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

## **BOARD AND DIRECTOR EVALUATION AND CRITERIA FOR EVALUATION:**

One of the key functions of the Board is to monitor and revise the board evaluation framework. The Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of review of the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate on the basis of the effectiveness of the Board dynamics and relationship, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy and the effectiveness of the whole board and its various committees.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, functioning.

The Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Managing Directors was also evaluated on key aspects of their role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the other directors.

Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Managing Directors on the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board. Feedback on each director is encouraged to be provided as part of the survey. Independent directors have three key roles- governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include:

## MOHINDRA FASTENERS LIMITED

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1. Ability to contribute to and monitor our corporate governance practices.
2. Participation in long-term strategic planning.
3. Commitment to the fulfilment of a directors' obligations and fiduciary responsibilities, these include participation in Board and committee meetings.

### **POLICY:**

The Company's philosophy for remuneration of Directors, Key Managerial Personnel, Senior Management and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered the following factors while formulating the Policy:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel, Senior Management and all other employees is as per the Remuneration Policy of the Company.

### **THE KEY PRINCIPLES GOVERNING THE COMPANY'S REMUNERATION POLICY ARE AS FOLLOWS:**

#### **Remuneration for Non-Executive Non-Independent Directors and Independent Directors:**

- **Sitting Fees**

Non-executive Directors will be entitled to sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time within the limits prescribed under the Act. The sitting fees presently paid to the Non -Executive Director is Rs. 5,000/- per meeting of the Board.

- **Reimbursement of expenses**

Non-executive Directors will be entitled to reimbursement of expenses incurred in connection with attending the Board meetings, Board Committee meetings, meeting of independent directors, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

No significant/pecuniary material relationship or transactions have been made with Non-Executive Directors vis-à-vis your Company except to pay sitting fees to all Non Executive Directors in accordance with the Companies Act, 2013 and SEBI Listing Regulations and if any change be made then it shall be in compliance with the provisions.

#### **Remuneration for Managing Directors ('MD')/ Executive Directors ('ED')/ Key Managerial Personnel ('KMP')/ rest of the Employees:**

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company provides retirement benefits as applicable.
- The Company provides MD/ EDs such remuneration with reference to the net profits computed in the manner prescribed under section 198 except that the remuneration of the directors, which shall not be deducted from the gross profits of the Company in a particular financial year and subject to the overall ceilings stipulated in

Section 197 of the Companies Act, 2013. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Committee and approved by the Board.

- The Company provides to the employees a performance linked increment. The performance linked increment would be driven by the outcome of the performance appraisal process and the performance of the Company.

#### **Retirement Policy for Directors**

The Governance Guidelines on Board Effectiveness adopted by the Company provides for the retirement age of Directors. As per the Guidelines, the Managing and Executive Directors retire at the age of 70 years. The term of the person holding this position may be extended at the discretion of the committee beyond the age 70 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed with the notice for such motion indicating the justification for extension of appointment beyond 70 years as the case may be.

#### **DETAILS OF REMUNERATION FOR 2017 - 18**

- The aggregate value of salary, perquisites and commission paid to Mr. Deepak Arneja, Chairman(Managing Director & CEO), during the year 2017-18 is Rs. 30,87,852/- comprising:

Salary	Rs. 30,84,102
Perquisites and allowances	Rs. 3,750
Commission	NIL
Period of Agreement	Up to 30th June, 2020
Notice period	The Agreement may be terminated by either party, giving the other party three months' notice.
Severance fees	NIL
Stock Options	NIL

- The aggregate value of salary, perquisites and commission paid to Mr. Ravinder Mohan Juneja, Managing Director, during the year 2017-18 is Rs. 29,19,852/- comprising:

Salary	Rs. 29,16,102
Perquisites and allowances	Rs. 3,750
Commission	NIL
Period of Agreement	Up to he attains the age of 70 years i.e. 10th September, 2021.
Notice period	The Agreement may be terminated by either party, giving the other party three months' notice.
Severance fees	NIL
Stock Options	NIL

**There are no variable components in the above said remuneration. During the year 2017-18, the Company was not paying any sitting fee as such to any of executive directors on the Board of Company.**

#### **Name, Designation and address of Compliance Officer:**

Ms. Nidhi Pathak  
 Company Secretary & Compliance Officer  
 304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, New Delhi-110087  
 Tel: +91-11-46200400 Fax: +91-11 25282667  
 Direct: +91-11-46200410  
 Email id: [cs@mohindra.asia](mailto:cs@mohindra.asia)

## MOHINDRA FASTENERS LIMITED

### GENERAL BODY MEETINGS

a) Location, date and time of Annual General Meetings held during the last 3 years and special resolutions passed:

AGM	YEAR	VENUE	DATE/DAY	TIME	SPECIAL RESOLUTIONS
23 <sup>rd</sup>	2016-17	Apsara Grand Banquet Halls, A- 1/20B, Paschim Vihar, Rohtak Road, Near Paschim Vihar West Metro Station, Pillar No. 255, New Delhi -110063	28.09.2017 (Thursday)	11.30 A.M.	To approve the Reclassification of the Shareholders from the Promoters' Group Category to Public Group Category.
22 <sup>nd</sup>	2015-16	Apsara Grand Banquet Halls, A-1/20 B, Paschim Vihar, Rohtak Road, Near Paschim Vihar West Metro Station, Pillar No. 255, New-Delhi-110063.	30.09.2016 (Friday)	11.30 A.M	To Re-appoint Mr. Ravinder Mohan Juneja (DIN 00006496) as a Managing Director of the Company.
21 <sup>st</sup>	2014-15	Apsara Grand Banquet Halls, A-1/20 B, Paschim Vihar, Rohtak Road, Near Paschim Vihar, West Metro Station, Pillar No. 255, New-Delhi-11006.	30.09.2015 (Wednesday)	11.30 A.M.	Issue & Offer of Cumulative, Non Convertible, Non- Participating, Redeemable Preference Shares "CNNRPS" on Private Placement basis.

All resolutions placed at the Last Annual General Meeting were passed by the requisite majority of shareholders.

As per Section 108 of the Act read with rules made thereunder, Regulation 44 of the Listing Regulations, e-voting facility was provided to the Shareholders of the Company for electronically voting on the resolutions passed at the Annual General Meeting held on September 28, 2017.

No Extra-ordinary General Meeting of the shareholders was held during the year 2017 - 18.

As on date of this report, there is no proposal to pass any special resolution through Postal Ballot.

### b) Postal Ballot

During the year 2017 - 18, the Company didn't pass any resolution through postal ballot.

### MEANS OF COMMUNICATION

The Company has been sending physical copies of the Annual Reports, notices, and other communications through the prescribed modes of postage. However, in case email address of shareholders is registered, such communications are sent through the registered email id of such shareholders.

- The quarterly, half yearly and the annually results, published as per the Listing Agreement or SEBI Listing Regulations as applicable, are approved and taken on record by the Board of Directors of the Company on the recommendation of Audit Committee within the stipulated time limit from the close of the relevant quarter. The results are also published within 48 hours in "Financial Express" (English Newspaper All India Edition) and "Jansatta" (Hindi Newspaper Local Edition). These are not sent individually to the shareholders.
- The results are displayed on the Company's website at [www.mohindra.asia](http://www.mohindra.asia) under the Investors' Section/Link and also in the website of Metropolitan Stock Exchange of India Limited (MSEI). The approved results are being furnished to Metropolitan Stock Exchange of India Limited (MSEI), where the Company's shares are listed.
- Comprehensive information about the Company, its business and operations and press releases can be viewed on the Company's website. The "Investor" section on the website gives information relating to financial results, annual reports, shareholding pattern, Corporate Governance Report, Codes, Policies, Programmes etc.
- Quarterly shareholding patterns disclosures are being filed at the web-based filing platforms of (MSEI) **MY LISTING PORTAL**.



- Material events or information, as detailed in Regulation 30 of the SEBI Listing Regulations, are disclosed are also displayed on the Company's website under the "Investor" section at website.
- Information about unclaimed or unpaid dividends are also available on the website of the Company i.e. [www.mohindra.asia](http://www.mohindra.asia).
- The Company sends an annual reminder to shareholders who have not claimed their dividends and consequently their shares and also urging them to opt for ECS as the mode for receiving dividends.
- Management Discussion and Analysis Report forms a part of the Annual Report.
- As per SEBI circulars, the RTA sends notices to the shareholders seeking copy of PAN card and Bank Account details- printed cancelled cheque, email id & phone no. & etc.

## DISCLOSURES

Particulars	Regulations	Details	Website Links for details of policy
<b>Related Party Transactions</b>	Regulation 23 of SEBI Listing Regulations and as defined under the Companies Act, 2013.	<ul style="list-style-type: none"> <li>• No material significant transactions that may have potential conflict with the interests of the Company have occurred during the financial year 2017 - 18.</li> <li>• All transactions entered into with related parties during the financial year were in the ordinary course and on arms length basis of business.</li> <li>• These have been approved by the Audit Committee and prior omnibus approvals were obtained for the transactions which are repetitive in nature.</li> <li>• The Board has taken note of every Omnibus approval obtained from the Audit Committee.</li> <li>• A detailed disclosure on Related Party Transactions as per Ind AS 24 has been disclosed at note No. 37 of Annual Financial Statements forming part of Annual Report for the financial year ended March 31, 2018.</li> <li>• The POLICY ON DEALINGS &amp; MATERIALITY OF RELATED PARTY TRANSACTIONS placed on the website of the Company.</li> </ul>	<a href="http://mohindra.asia/mfl/pdfs/DONE-RELATED_PARTY_POLICIES.pdf">http://mohindra.asia/mfl/pdfs/DONE-RELATED_PARTY_POLICIES.pdf</a>

Particulars	Regulations	Details	Website Links for details of policy
<b>Details of Non-compliance by the Company, penalty, strictures imposed on the Company by the Stock Exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets</b>	Schedule V Part C Point 10(b) to the SEBI (LODR) Regulations, 2015.	<p>The Company has complied with all the applicable provisions of Listing Regulations, other guidelines/ regulations issued by the Securities and Exchange Board of India (SEBI) and applicable provisions of other statutes.</p> <p>The Company has complied with all the mandatory requirements as per the provisions of Regulation 34, 53 and Schedule V of the Listing Regulations.</p> <p>There have been no instances of non-compliance by the Company on any matter related to capital markets during the financial year 2017-18 and hence no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any such other statutory authority.</p>	N.A
<b>Whistle Blower Policy and Vigil Mechanism</b>	Regulation 22 of SEBI (LODR) Regulations, 2015.	<p>The Company has adopted a Vigil Mechanism and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior.</p> <p>This policy encourages the employees, to come forward and report genuine concerns about unethical behavior, actual or suspected frauds to Ombudsman/Audit Committee. The identity of the reporting employee is kept confidential. The matter is investigated thoroughly and the findings are reported to the Audit Committee for proper actions.</p> <p>During the financial year no person has been denied access to the Chairman of the Audit Committee.</p> <p>The said policy has been hosted on the website of the Company.</p>	<a href="http://mohindra.asia/mfl/pdfs/vigil-mechanism.pdf">http://mohindra.asia/mfl/pdfs/vigil-mechanism.pdf</a>

Particulars	Regulations	Details	Website Links for details of policy
<b>Policy on Determination of Materiality for Disclosures</b>	Regulation 23 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures. The said policy has been uploaded on the website of the Company in the given link.	<a href="http://mohindra.asia/mfl/policies_and_code.html">http://mohindra.asia/mfl/policies_and_code.html</a>
<b>Policy on Archival and Preservation of Documents</b>	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents.	<a href="http://mohindra.asia/mfl/policies_and_code.html">http://mohindra.asia/mfl/policies_and_code.html</a>
<b>Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015, relating to Corporate Governance</b>	Regulation 27(1) as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015.	<p>The Company has complied with all mandatory requirements and The Company has also adopted few non-mandatory requirements listed in Regulation 27(1) as specified in Part E of Schedule II of the SEBI Listing Regulations and status of compliance with the same is as under:</p> <ul style="list-style-type: none"> <li>• Non Executive Chairperson's entitlement to maintain Chairman's Office and reimbursement of expenses incurred: The Chairman of the Company is an Executive Director (Chairman and Managing Director). Hence, disclosure under this head does not arise.</li> <li>• Shareholder's Right: The quarterly / half yearly/annual results, after they are taken on record by the Board of Directors communicated to the Stock Exchanges. The Quarterly and half yearly financial results, performance including summary significant events is published in the newspapers and also posted on the company's website.</li> <li>• Modified Opinion in Auditor's Report: The Company is already in No Audit Qualifications regime.</li> <li>• Separate posts of Chairman and Managing Director or CEO: The Chairman's office is not separate from that of Managing Director.</li> <li>• Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee of the company.</li> </ul>	

## MOHINDRA FASTENERS LIMITED

Particulars	Regulations	Details	Website Links for details of policy
<b>Accounting Treatment and Compliance with Accounting Standards</b>	Companies (Indian Accounting Standards (IND AS) Rules, 2015 and Indian GAAP under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014	<ul style="list-style-type: none"> <li>The Company has followed and prepared the Financial Statements in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed in India.</li> <li>The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.</li> <li>In the preparation of Financial Statements the Company had adopted Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 and this is separately disclosed in the Annual Report.</li> </ul>	
<b>CEO &amp; MD/ CFO Certification</b>	Part B of Schedule II of SEBI Listing Regulations	<ul style="list-style-type: none"> <li>The Managing Director &amp; CEO and the Chief Financial Officer have certified to the Board and have issued certificate, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs for the Financial Year ended 31st March, 2018.</li> <li>The Said Certificate is enclosed with the Annual report annexed as Annexure-A to the Corporate Governance Report.</li> </ul>	
<b>Auditors' Certificate</b>	Para E of Schedule V of SEBI Listing Regulations	The Auditors' Certificate/Compliance Certificate on Corporate Governance regarding compliance of conditions of corporate governance is appended as Annexure-B to the Corporate Governance Report.	
<b>Code of Conduct</b>	Para D of Schedule V of SEBI (LODR) Regulations, 2015.	<ul style="list-style-type: none"> <li>The Board has adopted a Code of Conduct (the "Code") for its business and operations. The Code is applicable to the Directors and senior management personnel of the Company. It also enumerates the duties and responsibilities of Independent Directors. The Code requires the Directors and employees of the Company to act honestly, ethically and with integrity. The Code has also been uploaded on the website of the Company at <a href="http://www.mohindra.asia">www.mohindra.asia</a>.</li> <li>The compliance of the Code is to be affirmed annually by the Directors and senior management personnel. All the Board Members and senior management personnel to whom the Code is applicable have affirmed the compliance with the Code as on March 31, 2018.</li> <li>A declaration to this effect, signed by the by the CEO and Managing Director and annexed as Annexure-C to the Corporate Governance Report.</li> </ul>	<a href="http://mohindra.asia/mfl/policies_and_code.html">http://mohindra.asia/mfl/policies_and_code.html</a>

Particulars	Regulations	Details	Website Links for details of policy
<b>Prevention of Insider Trading</b>	SEBI (Prohibition of insider trading) Regulations, 2015.	<ul style="list-style-type: none"> <li>The board has laid down Code of Conduct for insider trading in Compliance with regulation;</li> <li>All the directors and Senior Management Personnel who are expected to have access to Unpublished Price Sensitive Information concerning the Company, is responsible for adherence to this code.</li> <li>The Compliance Officer is responsible for the implementation of the Code to the extent its applicable as the equity shares of the Company is listed on Metropolitan Stock Exchange of India Limited (MSEI)</li> <li>The Code of Conduct is published on the website of the Company.</li> <li>The Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.</li> </ul>	<a href="http://mohindra.asia/mfl/policies_and_code.html">http://mohindra.asia/mfl/policies_and_code.html</a>

#### GENERAL SHAREHOLDERS INFORMATION

The Company is registered with the Registrar of Companies, NCT Delhi & Haryana under Companies Act, 1956 now 2013. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74899DL1995PLC064215.

- a) **Annual General Meeting:**
- |                              |   |  |
|------------------------------|---|--|
| <b>Date and Day</b>          | : | <b>Friday, 28th September, 2018</b>  |
| <b>Venue</b>                 | : | <b>Apsara Grand Banquet Halls<br/>A-1/20 B, Paschim Vihar, Rohtak Road,<br/>Near Paschim Vihar Metro Station,<br/>Pillar No. 255, New Delhi-110063</b>   |
| <b>Time</b>                  | : | <b>11.30 A. M.</b>   |
| <b>Book Closure Dates</b>    | : | <b>Saturday September 22, 2018 to Friday September 28, 2018</b>  |
| <b>Dividend Announcement</b> | : | <b>The Board of Director of the company has recommended a dividend at the rate of 25% i.e. Rs. 2.50/- per equity shares, at their duly convened board meeting held on 03<sup>rd</sup> August, 2018, subject to the approval of the shareholders at the 24<sup>th</sup> Annual General Meeting.</b> |

## MOHINDRA FASTENERS LIMITED

### (b) Financial Calendar 2018 - 19 (April to March)

The Company expects to announce the Unaudited Quarterly Results for the year 2018 - 19, as per the following schedule:

Financial Reporting for the Quarter ending June 30, 2018	Upto 14 <sup>th</sup> August, 2018
Limited Review Report for the Quarter ended on June 30, 2018	Upto 14 <sup>th</sup> August, 2018
Financial Reporting for the Quarter ending September 30, 2018 and Half-year results	Upto 14 <sup>th</sup> November, 2018
Limited Review Report for the Quarter ended on September 30, 2018	Upto 14 <sup>th</sup> November, 2018
Financial Reporting for the Quarter ending December 31, 2018	Upto 14 <sup>th</sup> February, 2018
Limited Review Report for the Quarter ended on December 31, 2018	Upto 14 <sup>th</sup> February, 2018

The Audited Financial Results of the Company for the year 2018 - 2019 will be announced on or before 30th May, 2019 which will include the results of the fourth quarter of the year 2018 - 2019.

(c) Financial Year: April, 2017 to March, 2018.

(d) Dividend payment date: on or before 27<sup>th</sup> October, 2018.

### (e) Listing on Stock Exchanges:

The Securities of your company are listed at Metropolitan Stock Exchange of India Limited (MSEI). The scrip was initially listed at Rs. 65.10 and the symbol/scrip code named as "MFL". The Annual Listing Fees for the year 2018-19 has been paid to the Stock Exchange and there are no arrears. The MSEI has nation-wide trading terminals and therefore provides full liquidity to the investors.

### (f) Other Information:

#### • Listing of Equity Shares on Stock Exchange at:

Metropolitan Stock Exchange of India Limited (MSEI), P-14, 45/90, 2nd Floor, Shaheed Bhagat Singh Marg, Block-P, Connaught Place, New Delhi-110001

#### • Series and Symbol of MSEI Limited: BE - MFL

#### • De-mat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares : INE705H01011

### (g) Market Information:

The Company shall take adequate steps to get the scrip of the company to be traded on Metropolitan Stock Exchange of India Limited at the earliest.

### (h) Registrar and Share Transfer Agent

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

#### Address for Correspondence:

#### M/s. Skyline Financial Services (P) Ltd.

D, 153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi - 110020

E-mail: [admin@skylinerta.com](mailto:admin@skylinerta.com)

Ph: +91-11-40450193-97, Fax: 011-30857562



### (i) Share Transfer System

Transfers of shares in physical form are processed by the Company's Registrar and Share Transfer Agent, **Skyline Financial Services (P) Ltd.**, after duly confirmed by the company, Share transfers-transmission/duplicate/Re-mat/De-mat requests are processed within the timelines stipulated by SEBI, if the documents are complete in all respects.

The Company's Registrar and Share Transfer Agent, **Skyline Financial Services (P) Ltd.** has adequate infrastructure to process the share transfers. The Board has delegated the power to approve transfer of shares, transmission of shares, transposition of shares, consolidations of shares, split of shares, change of name, issue of duplicate share certificates in lieu of old/mutilated certificates, dematerialization of shares, rematerialisation of shares, settlement of claims from unclaimed suspense account ("Transactions") and rejection of the said transactions on technical grounds, to the authorized officers of the Company (delegated authority). The delegated authority attends to the above transactions at such intervals as may be required after taking necessary approval from the company. Later, Stakeholders' Relationship Committee (SRCM) takes on record the approved transactions at their duly convened committee's meetings.

The Company's Stakeholders' Relationship Committee generally meets once in every month to approve or take on record the above such transactions, to register the request for non-receipt of dividend or any other matter/complaint as received from SCORES as well. The Share Certificates are issued to the transferees within prescribed time stipulated by SEBI subject to the condition, documents lodged with the Company are clear and complete in all respects. There are no pending transfers as on **31<sup>st</sup> March, 2018**.

An Independent practicing Company Secretary certifies and issues the Compliance Certificate to the Stock Exchange(s) in pursuance of Regulation 40 (9 & 10) of the Listing Regulations.

### (j) Distribution of Shareholding as on 31.03.2018

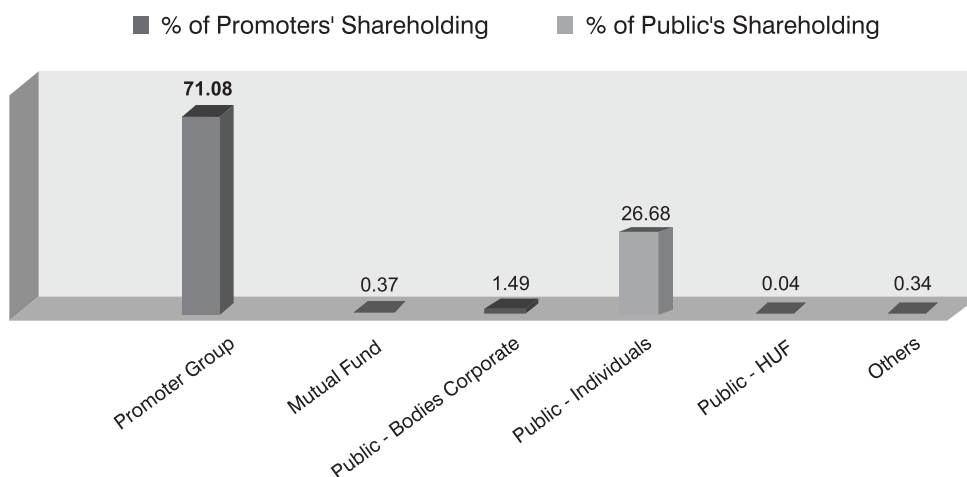
Range of Share holding Nominal Value	No. of Shareholders	Percentage of Shareholders	Total No. of Shares Held (Rs.)	Total percentage of Shareholding
Up to 5000	256	49.71	630750	1.18
5001 – 10000	127	24.66	1235000	2.31
10001 – 20000	44	8.54	851030	1.59
20001 – 30000	22	4.27	577000	1.08
30001 – 40000	3	0.58	107000	0.2
40001 – 50000	16	3.11	793000	1.48
50001 – 100000	13	2.52	1005040	1.88
100001 & above	34	6.6	48369180	90.29
<b>Total</b>	<b>515</b>	<b>100</b>	<b>53568000</b>	<b>100</b>

## MOHINDRA FASTENERS LIMITED

### (k) Shareholding Pattern of the Company as on 31.03.2018

Category		Nos. of Shares held	Percentage of Holding
<b>A</b>	<b>Promoter and Promoter Group</b>		
	1. Indian Promoters	38,07,700	71.08
	2. Foreign Promoters	-	-
	<b>Sub Total</b>	<b>38,07,700</b>	<b>71.08</b>
<b>B</b>	<b>Public Shareholding</b>		
	1. <u>Institutional Investors</u>		
	- Mutual Funds & UTI	19600	0.37
	- Banks, Financial Institutions, Insurance Companies	-	-
	- Central Government/State Government(s)	-	-
	- Foreign Institutional Investors	-	-
	- Others	-	-
	2. <u>Non-Institutional Investors</u>		
	- Bodies Corporate	80,000	1.49
	- Individuals	14,29,400	26.68
	- NRIs	-	-
	- Clearing members	-	-
	- HUF	2000	0.04
	- Others-IEPF	18100	0.34
	<b>Grand Total</b>	<b>53,56,800</b>	<b>100.00</b>

### Shareholding patterns as on 31<sup>st</sup> March, 2018



## (l) Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for dematerialization on both the depositories, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is **INE705H01011**. Dematerialization Status of Company as on March 31<sup>st</sup>, 2018 is as under:

The break-up of equity shares held in Physical and Dematerialized form as on March 31<sup>st</sup>, 2018, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	575700	10.75
NSDL	3012971	56.24
CDSL	1768129	33.01
<b>Total</b>	<b>5356800</b>	<b>100.00</b>

Annual Custody Fees for the year 2018 - 19 has been paid to both the depositories of the Company, namely National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL).

## (m) Outstanding GDRs/ADRs/Warrants or any other Convertible Instrument

Company has not issued any GDRs/ ADRs/ Warrants or any other convertible instruments which likely to have impact on Equity Share Capital of the Company.

## (n) Commodity price risk or foreign exchange risk and hedging activities

During the year, the Company had managed to expose the financial risk in terms of foreign exchange rates; etc details of the same are disclosed in Note no. 45 to the financial statements. The senior management oversees the management of these risks. The details of foreign currency exposure are disclosed in Note No. 38-42 to the Audited Financial Statements of the Company, forming part of the Annual Report for the financial year ended March 31, 2018.

## (o) Shares in suspense account

The Company doesn't hold any shares in unclaimed suspense Account.

## (p) Nomination of Shares

As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the members in respect of the shares held by them, may at any time, nominate, in the prescribed manner, a person to whom their shares shall vest in the event of death. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14. Both Forms are available at the website of the Company. Members holding shares in physical form are requested to submit the forms to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

## (q) Permanent Account Number (PAN)

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market or security holder. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar and Share Transfer Agent while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates etc.

## (r) Reconciliation of Share Capital Audit

Share Capital Reconciliation Audit as per Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, is being carried out by an independent practicing Company Secretary, on a quarterly basis to reconcile the total admitted equity share capital with NSDL and CSDL and the total issued and listed equity share capital. The Share Capital Reconciliation Audit reports confirm that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of shares in dematerialized mode held with NSDL and CDSL. These reports are filed with Stock Exchanges on quarterly basis and the same has been displayed on the Company's Website.

## MOHINDRA FASTENERS LIMITED

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### **(s) Plant Locations**

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

#### **Plant – I**

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

#### **Plant - II**

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

#### **Plant-IV**

70<sup>th</sup> K. M. Stone, Delhi – Rohtak Road  
N. H. No. 10, V & P.O. Kharawar,  
District Rohtak, Haryana-124001

### **(t) Address for Correspondence:**

The shareholders may address their communications/suggestions/grievances/queries to:

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](mailto:cs@mohindra.asia)

**ANNEXURE I TO THE DIRECTOR'S REPORT**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
 As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Company  
 (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L74899DL1995PLC064215
2.	Registration Date	10 <sup>th</sup> January, 1995
3.	Name of the Company	MOHINDRA FASTENERS LIMITED
4.	Category/Sub-Category of the Company	Public (Listed) Company, Company Limited by Shares, Indian Non Government Company
5.	Address of the Registered office & Contact Details	304 Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, New Delhi -110087. Tel. No.: +91-11-46200400 Fax No.: +91-11- 25282667 E-mail: <a href="mailto:cs@mohindra.asia">cs@mohindra.asia</a> Website: <a href="http://www.mohindra.asia">www.mohindra.asia</a>
6.	Whether listed company (Yes/No)	Yes, Listed Company
7.	Name, Address & Contact details of Registrar & Transfer Agent, if any	Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Tel. No.: +91-11-40450193-97 E-mail: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company stated as prescribed:

Sr. No.	Name and Description of main products/services	NIC Code of the product / service	%to total turnover of the company
1	High Tensile Fasteners	25991	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
NIL, as Company has no Holding, Subsidiary and Associate Company.					

## MOHINDRA FASTENERS LIMITED

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3478700	23900	3502600	65.39	3417600	13100	3430700	64.04	(1.35)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	212000	175000	387000	7.22	212000	165000	377000	7.04	(0.18)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1) :-	3690700	198900	3889600	72.61	3629600	178100	3807700	71.08	(1.53)
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	
b) Other-Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	
Sub-total(A)(2) :-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	3690700	198900	3889600	72.61	3629600	178100	3807700	71.08	(1.53)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	19600	19600	0.37	-	19600	19600	0.37	-
b) Banks / FI	-	-	-	-	-	-	-	-	
c) Central Govt	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIIs	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	-	19600	19600	0.37	-	19600	19600	0.37	-



<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	57000	12000	69000	1.29	58000	22000	80000	1.49	0.20
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	103182	345700	448882	8.37	156682	315100	471782	8.80	0.43
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	904718	23000	927718	17.32	916718	40900	957618	17.88	0.56
c) Others- Hindu Undivided Family	2000	-	2000	0.04	20100	-	20100	0.38	0.34
<b>Sub-total (B)(2):-</b>	<b>1066900</b>	<b>380700</b>	<b>1447600</b>	<b>27.02</b>	<b>1151500</b>	<b>378000</b>	<b>1529500</b>	<b>28.55</b>	<b>1.53</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1066900</b>	<b>400300</b>	<b>1467200</b>	<b>27.39</b>	<b>1151500</b>	<b>397600</b>	<b>1549100</b>	<b>28.92</b>	<b>1.53</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4757600</b>	<b>599200</b>	<b>5356800</b>	<b>100</b>	<b>4781100</b>	<b>575700</b>	<b>5356800</b>	<b>100</b>	<b>-</b>

#### B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ravinder Mohan Juneja	484650	9.05	-	484650	9.05	-	0
2	Deepak Arneja	421000	7.86	-	421000	7.86	-	0
3	Anurag Arneja	450800	8.42	-	450800	8.42	-	0
4	Ranbir Singh Narang	403700	7.54	-	403700	7.54	-	0
5	JP Singh Narang	186000	3.47	-	186000	3.47	-	0
6	Sudhir Arneja	283700	5.30	-	283700	5.30	-	0
7	Mukesh Arneja	280100	5.23	-	280100	5.23	-	0
8	Indra Juneja	17000	0.32	-	17000	0.32	-	0
9	Divya Malik	65000	1.21	-	65000	1.21	-	0

## MOHINDRA FASTENERS LIMITED

10	Jatinder Kaur Narang	144300	2.69	-	144300	2.69	-	0
11	Gobind Preet Singh Narang	40000	0.75	-	40000	0.75	-	0
12	Kawaljit Kaur Narang	29000	0.54	-	29000	0.54	-	0
13	Manmeen Kaur Narang	78400	1.46	-	78400	1.46	-	0
14	Gagandeep Singh Narang	65300	1.22	-	65300	1.22	-	0
15	Livleen Singh Narang	151700	2.83	-	151700	2.83	-	0
16	Kanpur Delhi Goods Carriers Ltd.	212000	3.96	-	212000	3.96	-	0
17	Dheeraj Juneja	157100	2.93	-	157100	2.93	-	0
18	Simi Arneja	32000	0.60	-	32000	0.60	-	0
19	Ritu Arneja	21000	0.39	-	21000	0.39	-	0
20	Prateek Arneja	26700	0.50	-	26700	0.50	-	0
21	Neera Arneja	40800	0.76	-	40800	0.76	-	0
22	Mrinal Arneja	14000	0.26	-	14000	0.26	-	0
23	Monica Arneja	15850	0.30	-	15850	0.30	-	0
24	Late Nayna Rajesh Raigala	10000	0.19	-	10000	0.19	-	0
25	Late Krishan Lal Chhabra	2500	0.05	-	2500	0.05	-	0
26	C V Trading & Investment Co.	165000	3.08	-	165000	3.08	-	0
27	Sanath M Shah	10000	0.19	-	0	0	-	(0.19)
28	Sripati Mehta	2500	0.05	-	0	0	-	(0.05)
29	Bimlesh Arora	500	0.01	-	0	0	-	(0.01)
30	Late. Sh. Shyam L Raheja	100	0.00	-	100	0	-	0
31	Chetan V. Sanghvi	10100	0.19	-	10000	0.19	-	0

32	Hita Chetan Sanghvi	18300	0.34	-	Reclassification of Promoter group category shareholders has been done in respect to these shareholders.			(1.28)
33	Ram Bhaj Goswami	4500	0.08	-				
34	Varinder Chhabra	2500	0.05					
35	Madan Mohan Narang	2500	0.05					
36	Usha Narang	5000	0.09					
37	Raman Arora	2500	0.05	-				
38	Kailash Chand Kalra	2500	0.05	-				
39	Deepak Sharma	2500	0.05	-				
40	Shakuntala Anil Kumar Merchant	11000	0.21	-				
41	Anil Kumar Kanji Merchant(Piyush Anil Kumar Merchant)	7500	0.14	-				
42	Zir Con Finance & Leasing (P) Ltd.	10000	0.19					
Total		3889600	72.61	-	3807700	71.08	-	(1.53)

**C) Change in Promoters' Shareholding (including Promoters' Group)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>3889600</b>	<b>72.61</b>	<b>-</b>	<b>-</b>
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / transmission/ sweat equity etc.):	0	0	81900	1.53
3	<b>At the end of the year</b>	<b>3807700</b>	<b>71.08</b>	<b>-</b>	<b>-</b>

**Reason of difference as said above, between the beginning and at the end of year is as follows:**

## MOHINDRA FASTENERS LIMITED

Sr. No.	Name of the Promoters	Shareholding at the beginning of the year		Reason	Date	Increase/ (Decrease) in Shareholding		Cumulative Shareholding During the year/At the end of year	
		No of share	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Sanath M Shah	10000	0.19	Transfer / Sale	De-mat transfers	(10000)	(0.19)	0	0
2	Sripati Mehta	2500	0.05	Transfer / Sale	07.09.2017	(2500)	(0.05)	0	0
3	Bimlesh Arora	500	0.01	Transfer / Sale	08.08.2017	(500)	(0.01)	0	0
4	Reclassi-fication	68900	1.28	Reclassi-fication	22.11.2017	(68900)	(1.28)	0	0

### D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the Year/ At the end of Year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kanta Devi	859400	16.04	-	No Change		859400	16.04
2	Sumu Financial Services Pvt. Ltd.	62000	1.16	-	No Change		62000	1.16
3	Rajesh Jain	30000	0.56	-	No Change		30000	0.56
4	Bank of India A/C BOI Mutual Fund	19600	0.37	-	No Change		19600	0.37
5	Hita Chetan Sanghvi	18300	0.34	Trans-mission of shares	100	0.00	18400	0.34
6	Investor Education & Protection Fund	-	-	Trans-ferred of shares to IEPF dated 29. 11. 2017	18100	0.34	18100	0.34
7	Sohan Lal Verma	16318	0.30	-	No Change		16318	0.30

8	Naresh Arora	11500	0.21	Purchase of shares	500	0.01	12000	0.22
9	Shakuntala Anil Kumar Merchant	11000	0.21	-	No Change		11000	0.21
9	Davinder Kumar	10500	0.20	-	No Change		10500	0.20
10	Zircon Finance & Leasing Pvt. Ltd.	10000	0.19	-	No Change		10000	0.19

**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in share-holding	Reason	Cumulative Shareholding during the Year/At the end of Year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017)/ end (31.03.2018) of the year	% of total shares of the company				No. of shares	% of total shares of the company
DIRECTORS & KEY MANAGERIAL PERSON								
1	Mr. Deepak Arneja (Managing Director)	421000 421000	7.86 7.86	01.04.2017 to 31.03.2018	0	NIL	421000	7.86
2	Mr. Ravinder Mohan Juneja (Managing Director)	484650 484650	9.05 9.05	01.04.2017 to 31.03.2018	0	NIL	484650	9.05
3	Mr. Vinod Kumar (Independent Director)	2000 2000	0.04 0.04	01.04.2017 to 31.03.2018	0	NIL	2000	0.04
4	Mr. Gagan deep Singh Narang (Non Executive Director)	65300 65300	1.22 1.22	01.04.2017 to 31.03.2018	0	NIL	65300	1.22
5	Mrs. Anjali Malik (Women Independent Director)	NIL Shareholding, Since her appointment						
6	Mr. Ved Prakash Chaudhry	NIL Shareholding, Since his appointment						
7	Mr. Sunil Mishra (Chief Financial Officer)	500 500	0.01 0.01	01.04.2017 to 31.03.2018	0	NIL	500	0.01

## MOHINDRA FASTENERS LIMITED

8	Ms. Nidhi Pathak (Company Secretary)	NIL Shareholding, Since her appointment
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### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2307.60	200.00	-	2507.60
ii) Interest due but not paid	-	-	-	Nil
iii) Interest accrued but not due	1.78	2.33	-	4.11
<b>Total (i+ii+iii)</b>	<b>2309.38</b>	<b>202.33</b>	<b>Nil</b>	<b>2511.71</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	346.42	-	-	346.42
• Reduction	(244.03)	(2.33)	-	(246.36)
<b>Net Change</b>	<b>102.39</b>	<b>(2.33)</b>	<b>Nil</b>	<b>100.06</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2411.77	200.00	-	2611.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.09	-	-	2.09
<b>Total (i+ii+iii)</b>	<b>2413.86</b>	<b>200.00</b>	<b>Nil</b>	<b>2613.86</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR FY 2017-18.

### A. Remuneration to Managing Directors, Whole-time Director and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Deepak Arneja	Ravinder Mohan Juneja	
1	Gross salary	30,87,852	29,19,852	60,07,704
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,84,102	29,16,102	60,00,204
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,750	3,750	7,500
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	30,87,852	29,19,852	60,07,704
	<b>Ceiling as per the Act</b>	Rs. 97,01,568 (being 10% of the net profits of the Company for the year ended March 31, 2018 computed as per Section 198 of the Companies Act, 2013.)		

### B. Remuneration to other directors (Including Independent and Non Executive Directors)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Vinod Kumar	Ved Prakash Chaudhry	Anjali Malik	Gagandeep Singh Narang	
		Independent	Independent	Independent	Non-Independent	
	Fee for attending board committee meetings	5000	20000	-	5000	30000
	Commission	-	-	-	-	-
	Others, please specify					
	Total (B)	5000	20000	-	5000	30000
	<b>Total Managerial Remuneration(A+B)</b>	Rs. 60,37,704 (Rupees Sixty Lakhs Thirty Seven Thousand Seven Hundred and Four Only)				
	<b>Overall Ceiling as per the Act</b>	Rs. 1,06,71,724 (being 11% of the net profits of the company for the year ended March 31, 2018 computed as per section 198 of the Companies Act, 2013.)				

Note: Therefore as explained above our total Managerial Remuneration are within the limits as per Companies Act, 2013 and other applicable provisions, if any.

## MOHINDRA FASTENERS LIMITED

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTd

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total (1+2)
		Sunil Mishra (1)	Nidhi Pathak (2)	
1.	<b>Gross salary:</b>	21,05,168	5,65,990	26,71,158
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,01,418	5,62,240	26,63,658
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,750	3,750	7,500
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	<b>Stock Option</b>	-	-	-
3	<b>Sweat Equity</b>	-	-	-
4	<b>Commission</b>	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	<b>Others, please specify</b>	-	-	-
	<b>Total</b>	<b>21,05,168</b>	<b>5,65,990</b>	<b>26,71,158</b>

- Ceiling limits and remuneration for above point VI (A) (B) & (C) are for the year 2017-18 and on gross basis of remuneration, not on received basis.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES [During FY 2017-18]:

During the year ended March 31, 2018, no Penalties were levied or punishment/Compounding Fee imposed by the Regional Director, Ministry of Corporate Affairs/Court on the Company/Directors/Officers in default.

For and on behalf of the Board

Place: New Delhi  
Date: 03<sup>rd</sup> August, 2018

Deepak Arneja  
DIN: 00006112  
Chairman Cum  
Managing Director & CEO

**ANNEXURE II**  
**TO THE DIRECTOR'S REPORT**  
**PARTICULARS OF EMPLOYEES**

**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year ended 2017-2018. The percentage increase in remuneration of Chief Executive Officer, Managing Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 are as follows:

Name of Director/KMP and Designation	Designation	Ratio of remuneration of each director/ to median remuneration of employees	% increase in remuneration in the financial year 2017-2018
Mr. Ravinder Mohan Juneja	Managing Director	14.16	11.91
Mr. Deepak Arneja	Managing Director & CEO	14.16	11.91
Mr. Gagandeep Singh Narang	Non- Executive Director	0.27	N.A.
Mr. Vinod Kumar	Non-executive Independent Director	0.27	N.A
Mr. Ved Prakash Chaudhary	Non-executive Independent Director	1.08	N.A
Mrs. Anjali Malik	Non-executive Independent Director	--	N.A
Mr. Sunil Mishra	Chief Financial Officer	N.A	10.81
Ms. Nidhi Pathak	Company Secretary	N.A	N.A

Note: The Non-Executive Directors are only entitled for sitting fees as per the Statutory Provisions. Therefore here their sitting fees are divided by Median remuneration of employees. The details of the sitting fees paid to Non-executive Directors are provided in the Annexures to this Annual Report and are governed by the Nomination & Remuneration Policy as detailed in the said Report.

- (ii) The median remuneration of employees of the Company during the financial year 2017-18 was **Rs. 18,575** on the basis of monthly remuneration of all employees except the executive directors of the company and there was an increase of **14.84%** in the median remuneration of the total Employees.
- (iii) The Company had 376 permanent employees on its rolls as on March 31, 2018.
- (iv) **Average percentile increase already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

The average annual increase in the salaries of employees was around 14.45% other than the managerial personnel. Increase in the Managerial remuneration for the year was 10.83%.

- (v) **Affirmation that the remuneration is as per the Remuneration Policy of the Company;**  
The Company affirms that the remuneration of the Directors, Key managerial Personnel and other employees is as per the remuneration policy of the company.
- (vi) **During the financial year 2017-18, no employee received remuneration in excess of highest paid Director.**
- (vii) **The information required under Section 197 of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

## MOHINDRA FASTENERS LIMITED

### A. Details as per Section 197 and Rule 5(2) of the Act:

1. During the financial year 2017-18, no employee of the Company received remuneration of one crore and two lakh rupees or more per annum while working for the whole year or at the rate of eight lakh and fifty thousand rupees per month while working for a part of the year;
2. During the financial year 2017-18 or part thereof, no employee of the Company received remuneration in excess of the remuneration drawn by Managing Director, Whole-Time Director or Manager (if any). During the financial year 2017-18 no employee of the Company (by himself or along with his spouse and dependent children), was holding two percent or more of the equity shares of the Company;
3. During the financial year 2017-18, no employee of the Company, resident in India, posted and working in a country outside India, not being Directors or their relatives, had drawn more than sixty lakh rupees per year or five lakh rupees per month.

### B. the details pertaining to top ten employees of Company along with additional information indicating in Rule 5(3) of the captioned rules as mentioned herein below:

Sr. No.	Name & Designation	Remuneration	Nature of Employment, whether contractual or otherwise	Qualification & Experience	Date of Joining & Age (MM/DD/YYYY)	Last Employment, if any	% of Equity Shares held, if any	Nature of relationship
1.	Mr. Lakshmiopathy Sundar (G.M.(Operations))	1,94,000	Pay Roll	B.E Diploma in Mechanical 29 years of Experience	3/4/2015  49 years and Re-signed on 12/22 /2017	LPS Ltd. Rohtak	100	-
2.	Mr. Sunil Mishra (Chief Financial Officer)	1,74,200	Pay Roll	B.COM, LLB More than 32 years of Experience	11/1/1996  56 years	-	500	-
3.	Mr. Dheeraj Juneja (G.M.(Supply Chain Management))	1,63,500	Pay Roll	Senior Secondary 15 years of Experience	10/1/2000  36 years	-	157100	Son of Mr. Ravinder Mohan Juneja (Managing Director)
4.	Mr. Prateek Arneja (G.M (Sales And Marketing))	1,59,500	Pay Roll	MBA in Marketing 14 years of Experience	11/1/2005  36 years	-	26700	-
5.	Mr. Anurag Arneja (Director-Operation)	1,56,000	Pay Roll	Graduate in Arts  27 years of Experience	4/1/2014  51 years	-	450800	-
6.	Mr. Sudhir Arneja (Director-Operation)	1,54,900	Pay Roll	B.com & M.A.  40 years of Experience	4/1/1999  63 years	-	283700	Brother Mr. Deepak Arneja (Managing Director)

7.	Mr. Anil Kumar Verma (A.G.M.(Q.A))	1,41,200	Pay Roll	Diploma in Mechanical Engineering  25 years of Experience	2/4/2014  47 years	LPS Ltd, Rohtak	100	-
8.	Mr. Subhash Chand Bhatia (DGM (OPERATIONS))	1,38,000	Pay Roll	B.SC Mechanical  23 years of Experience	11/14/ 2015  51 years and Resigned on 11/22/ /2017	Kalisma Steel	100	-
9.	Mr. Robins T. Perumpanany (SR. Manager (Prod.))	1,25,000	Pay Roll	3 years Diploma in Tools & die  32 years of Experience	09/11 /2017  52 years	UPS Ltd, Rohtak	-	-
10.	Mr. R. Srinivasan(A.G.M.)	1,00,000	Retainer-ship	B.SC.  39 Years of Experience	3/5/ 2007  61 Years Resigned on 07/31 /2017 & joined back the company on Retainer-ship basis.	Caparo Fasteners Bhiwadi	100	-

**Note: Above mentioned particulars of Employees have been taken on the basis of their last drawn monthly gross salary excluding bonus amount of FY 17-18 for easy and fair calculations.**

**For and on behalf of the Board**

**Deepak Arneja**

**DIN:00006112**

**Chairman Cum Managing**

**Director & CEO**

**Place: New Delhi**

**Date: 03<sup>rd</sup> August, 2018**

**ANNEXURE III  
TO THE DIRECTOR'S REPORT**

**DECLARATION OF INDEPENDENCE**

01<sup>st</sup> April, 2017

To

The Board of Directors

Mohindra Fasteners Limited

304, Gupta Arcade, Inder Enclave

Delhi-Rohtak Road

New Delhi-1100087

**Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.**

I, **Vinod Kumar**, hereby certify that I am a Non-executive Independent Director of **Mohindra Fasteners Limited**, 304 Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, New Delhi-110087, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees, if received, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with my relatives 2% or more of the total voting power of the company; or



d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

#### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering into such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

**Yours faithfully,**

**Vinod Kumar**

**DIN: 02303504**

**11096, Doriwalan East Park Road,**

**Karol Bagh, New Delhi**

**DECLARATION OF INDEPENDENCE**

20<sup>th</sup> April, 2017

To

**The Board of Directors**

**Mohindra Fasteners Limited**

**304, Gupta Arcade, Inder Enclave**

**Delhi-Rohtak Road**

**New Delhi-1100087**

**Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.**

I, **Anjali Malik**, hereby certify that I am a Non-executive Independent Director of Mohindra Fasteners Limited, 304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, New Delhi-110087, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees, if received, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with my relatives 2% or more of the total voting power of the company; or
  - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

**Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering into such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

**Yours faithfully,**

**Anjali Malik**

**DIN: 06875087**

**House No-190, Opp. old Sessions Court Civil Lines,  
Rohtak, 124001, Haryana, India**

**DECLARATION OF INDEPENDENCE**

20<sup>th</sup> April, 2017

To

The Board of Directors

Mohindra Fasteners Limited

304, Gupta Arcade, Inder Enclave

Delhi-Rohtak Road

New Delhi-1100087

**Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013**

**I, Ved Prakash Chaudhary**, hereby certify that I am a Non-executive Independent Director of **Mohindra Fasteners Limited**, 304, Gupta Arcade, Inder Enclave, Delhi Rohtak Road, New Delhi-110087, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees, if received, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with my relatives 2% or more of the total voting power of the company; or
  - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

### **Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering into such relationship / transactions.

Further, I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

**Ved Prakash Chaudhary**

**DIN: 07572208**

**B-3, Poojari Appartment, Shiv Vihar,**

**Paschim Vihar, Delhi-110087**

**ANNEXURE IV TO THE DIRECTOR'S REPORT**  
**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
(For the financial year ended 31<sup>st</sup> March 2018)

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

To,

**The Members**

**MOHINDRA FASTENERS LIMITED**

**304, Gupta Arcade, Inder Enclave**

**Delhi-Rohtak Road, New Delhi-110087**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mohindra Fasteners Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and as produced before us, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> Day of March, 2018, (the audit period) complied with the statutory provisions listed hereunder and also that the Company has a Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Mohindra Fasteners Limited ("The Company") and as produced before us for the financial year ended on 31<sup>st</sup> Day of March, 2018 (audit period) according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.

#### **VI. Other laws applicable to the Company:-**

The Factories Act, 1948, Industrial Disputes Act, 1947, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Employee State Insurance Act, 1948, The Employees Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation and Abolition) Act, 1970, The Maternity Benefits Act, 1961, The Income Tax Act, 1961, Weekly Holiday Act, 1942, Goods and Services Tax (GST), The Sexual Harassment of Women at workplace (Prevention Prohibition and Redressal) Act, 2013 and other laws applicable to the Company as per the representations made by the Company, if any.

However, as per the explanations given to us and the representations made by the Management, there was no action/event occurred in pursuance of:

- a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 requiring compliance thereof by the company and were not applicable during the financial year ended, 31<sup>st</sup> March 2018 under review.

#### **We have also examined compliance with the applicable provisions of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1. The promoter's shareholding of the company is not 100% in Demat form as mandatory according to the circular issued by the SEBI in this regard.**
- 2. One of the promoter/shareholder of the company was filed a complaint against the company, on various ground and company had filed a compounding application in the matter. The above said matter is under jurisdiction of the office of the Registrar of companies, NCT of Delhi and Haryana, so, we hereby, do not comment in the matter till the compounding application has finally is settled out.**

#### **We further report that:**

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

Adequate notice to schedule the Board Meetings, agenda and detailed notes on agenda were sent to all directors at least seven days in advance or within prescribed time as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management and explanations given to us, were taken unanimously/requisite majority. As per the minutes of the meetings, duly recorded and signed by the Chairman, the decisions of the Board were unanimous/with requisite majority and no dissenting views have been recorded.

We further report that, as representation made by the Management of the company and based on the information received and records maintained by the Company, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

## MOHINDRA FASTENERS LIMITED

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**We further report that, during the audit period:-**

1. The company had reclassified the promoter's group shareholding into public category shareholding during the period under review and the same was reported to Metropolitan Stock Exchange of India Ltd.
2. Ms. Anjali Malik, Independent Director has resigned from the Company w.e.f 1<sup>ST</sup> Day of June 2018 under review.
3. According to the report of Statutory Auditor of the company, the company has prepared its financial statements with comply with Ind-AS.

**For, Anand Nimesh & Associates  
(Company Secretaries)**

**Anand Kumar Singh  
(Partner)**

**M. No A24881  
CP No- 9404**

**Date: 25/07/2018**

**Place: Delhi**

***\*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report***

**‘ANNEXURE A’**

To,

**The Member**

**MOHINDRA FASTENERS LIMITED**

**304, Gupta Arcade, Inder Enclave**

**Delhi-Rohtak Road, New Delhi-110041**

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit to the extent there are shown to us during the Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records, Books of Accounts, Direct and Indirect Tax Laws, Custom & Excise Laws and related matter of the company since the same have been subject to review by the statutory financial auditor and other designated professionals. Further we follow the norms of The Institute of the Company Secretaries Of India in this regard and we rely on the Reports given by Statutory Auditors or other designated professionals in all financial Laws including financial data's.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For, Anand Nimesh & Associates  
(Company Secretaries)**

**Anand Kumar Singh  
(Partner)**

**M. No A24881**

**CP No- 9404**

**Date: 25/07/2018**

**Place: Delhi**

**ANNEXURE V TO THE DIRECTOR'S REPORT**  
**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies  
(Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advance, if any
1.	Mr. Dheeraj Juneja (Son of Mr. Ravinder Mohan Juneja - Managing Director)	Office or Place of Profit	As per the Agreement.	As per the Agreement.	N.A	N.A
2.	Mr. Sudhir Arneja (Brother of Mr. Deepak Arneja - Managing Director & CEO)	Office or Place of Profit	As per the Agreement.	As per the Agreement.	N.A	N.A

**Note:**

Since, these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, these have reported to the Audit Committee for their Omnibus approval yearly and the Board has taken note of the same.

**By order of the Board**

**Deepak Arneja**  
**DIN:00006112**

**Chairman Cum Managing**  
**Director & CEO**

**Place: New Delhi**  
**Date: 3<sup>rd</sup> August, 2018**

## ANNEXURE VI TO THE DIRECTOR'S REPORT

### REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTING

#### THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014:

##### (A) CONSERVATION OF ENERGY

The Company continues its attempts to improve energy conservation and utilization.

##### (i) Steps Taken or Impact on Conservation of Energy:

The Company has always been conscious of the need for the Conservation of the Energy & Optimum utilisation of available resources & has been steadily making progress towards this end.

Energy Conservation measures have been implemented at all the Company's Plants and Offices. Company has also taken special efforts on undertaking Specific Energy Conservation Projects and achieved high level of saving through implementation.

During the year ended March 31, 2018, your Company has taken a lot of initiatives for reduction in power cost by not only reducing the consumption through implementation of new technologies but also by improving its production processes.

In pursuit of the continual improvement in Energy Conservation in generation distribution & consumption areas, following initiatives have been taken:

- Constant monitoring of energy consumption and further requisite follow-up.
- In off –hours, lights in work premises is kept off.
- Installed small Air Compressors across EAM Plant to avoid running of big Air Compressors during Off-Days.
- Maximum use of low cost power from Open Access to reduce the power cost.
- Introduction of methanol based systems in place of endogas generators.
- Installed LED lights by replacing existing T5 lights at the operation offices, Marketing & R & D lab area.
- Reduction of maximum demand and restricting the maximum demand to billing demand.

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.

##### (ii) Additional investments and proposals, if any, being implemented and Steps taken for utilizing alternate sources for reduction of consumption of energy:

- Use of Air Pneumatic Tools over Electric Tools.
- Replacement of tube lights/lamps and put emphasis on installation of lower voltage energy efficiency lamps and use of CFL lamps & LED lights in phases.
- Introduction of waste heat recovery system in furnace.
- Setting the room Air Conditioners at a temperature of 24° C or more.
- Rationalization of load on different DG sets.
- Conversion from 250 watts lights to 72 watt LED lights in production area.

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.

**(iii) Impact of the measures taken at (i) and (ii) above for reduction of energy conservation and consequent impact on the cost of production of goods.**

- Reduction in Power Consumption.
- Efficient use of natural resources.
- Reduction in Manufacturing Cost.
- Significant reduction in Carbon Emission.
- Hedge against continuous energy rate increase.
- Optimum performance of equipment on sustainable basis.

**Details of rate per unit / litre / kilograms for energy consumption and a comparison thereof from previous year:**

- The rate per unit for power consumption for the FY 17-18 was 7.98 in comparison of 8.53 in previous year.
- The rate per litre for fuel consumption for the FY 17-18 was 57.73 in comparison of 53.64 in previous year.
- The rate per kilogram for gas consumption for the FY 17-18 was 48.37 in comparison of 40.07 in previous year.

**(B) TECHNOLOGY ABSORPTION**

**(i) Efforts, in brief, made towards technology absorption, adaptation and innovation:**

- The Company is having the following quality/system related certification:-
  - EN ISO 9001:2015
  - IATF 16949: 2016
  - ISO 14001:2015
  - OHSAS 18001:2007
- In addition, our in-house heat treatment facilities confirm to CQI9 Certification.
- Training of personnel in-house and also by calling external trainers.
- The company keeps itself updated with latest technological innovations by way of constant communication, personal discussions and visit to overseas countries/ plants and benchmarking best industrial practices.
- Future plan of action:
  - Adopt more value engineering ideas into products to make them more cost effective in order to meet the target costs.
  - Up gradation of existing technology.
  - 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.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**

- Getting new order from our customers for the new parts developed.
- Increased the product sales price substantially.
- Process improvement resulting in higher production.
- Cost reduction.
- Constant updation of the Quality Management Systems has equipped the Company to meet the stringent Quality and general standards stipulated by customers.
- Development of eco-friendly processes results in less quantity of effluent and emission.
- Undertaken Import Substitution.

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.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

No technology was imported during the above said period.

**(iv) Brief Information on Research and Development:**

• **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:-

- Multiple Tasking of the machines.
- Development of various surface finishes based on customer's needs.
- Substitute machining operations with as forged conditions.

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

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

• **Expenditure on R & D**

NIL

**(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;**

Despite severe competition from China, Taiwan, Malaysia, Vietnam & Thailand and some other Asian and east European countries. The Company has added new customers in our portfolio across the globe. Most of our customers have shown keen interest to engage with Mohindra Fasteners Limited (MFL), as their preferred supplier and work as a long term strategic partner, resulting in increase in new parts and business with existing customers. This interest is based on our ability to supply superior quality and complex parts at most competitive prices.

The Company participated in overseas Trade Fairs to display its products and to tap new overseas customers. Responses to company's products are good resulting in fresh enquiries from various customers.

**ii) Foreign Exchange Earning and Outgo**

The total foreign exchange earned and used are as under:

**(Rs. in Lakhs)**

<b>Foreign exchange earnings</b>	<b>6174.02</b>
<b>Foreign exchange expenditure</b>	<b>997.89</b>

The details or bifurcation of the same can be seen in the note no. 40, 41 & 42 of the financial statements.

**By order of the Board**

**Deepak Arneja**  
**DIN:00006112**

**Chairman Cum Managing**  
**Director & CEO**

**Place: New Delhi**  
**Date: 3<sup>rd</sup> August, 2018**



**ANNEXURE VII TO THE DIRECTOR'S REPORT**

**ANNUAL REPORT ON CORPORATE SOCIAL  
RESPONSIBILITY (CSR) ACTIVITIES**

<p>1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:-</p>	<p>Corporate Social Responsibility ('CSR') is an integral part of the social performance of the Company. Our CSR activities are to support inclusive socio-economic progress for the development of our country. Our focus areas comprise promotion of education, development of Educational Institutions, healthcare, research, empowering poor and marginalized and to enhance the livelihoods of millions of people while growing the business.</p> <p>In its CSR Policy, MFL is empowered to undertake all or any of the activities as specified under Schedule VII to the Companies Act, 2013 (the "Act").</p> <p>Our objectives as stated in our CSR policy, include:</p> <ol style="list-style-type: none"> <li>Making a positive impact on society through economic development and reduction of our resource footprints;</li> <li>Taking responsibility for the actions of the Company while also encouraging a positive impact through supporting causes concerning the environment, communities and our stakeholders.</li> </ol> <p>The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors, is available on the Company's website at <a href="http://www.mohindra.asia">www.mohindra.asia</a>.</p> <p>CSR activities were implemented by the in-house CSR committee members through "<b>Hans Vahini Shiksha Smiti</b>" a registered educational Society (Non-Profit Organisation) registered under Society Registration Act, 1860, having registered office at B-19, G.F., Swasthya Vihar, Delhi-110092.</p>
<p>2.The Composition of the CSR Committee</p>	<ol style="list-style-type: none"> <li>Mr. Deepak Arneja (Chairman cum Managing Director &amp; CEO)</li> <li>Mr. Ravinder Mohan Juneja (Managing Director)</li> <li>Mr. Vinod Kumar (Non Executive &amp; Independent Director)</li> </ol>
<p>3.Details of implementing agency</p>	<p>Hans Vahini Shiksha Smiti situated at "B-19, G.F., Swasthya Vihar, Delhi-110092"</p>
<p>4.Average net profit of the company for last three financial years</p>	<p><b>Rs. 7,02,78,374</b> (Rupees Seven Crores Two Lakhs Seventy Eight Thousand Three Hundred and Seventy Four only)</p>
<p>5.Prescribed CSR Expenditure (two percent of the amount as in item 4 above)</p>	<p><b>Rs. 14,05,567</b> (Rupees Fourteen Lakhs Five Thousand Five Hundred and Sixty Seven only)</p>
<p>6.Details of CSR spent during the financial year:</p> <ol style="list-style-type: none"> <li>Total amount to be spent for the financial year;</li> <li>Amount unspent, if any;</li> <li>Manner in which the amount spent during the financial year is detailed below.</li> </ol>	<p><b>Rs. 14,05,567</b> (Rupees Fourteen Lakhs Five Thousand Five Hundred and Sixty Seven only) during Financial Year 2017-18</p> <p>NIL</p> <p>The manner in which the amount is spent is annexed with this Annexure.</p>

7. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Not Applicable, Since no unspent amount.
8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company."

**By order of the Board**

**Deepak Arneja**

**DIN:00006112**

**Chairman Cum Managing**

**Director & CEO**

**Place: New Delhi**

**Date: 3<sup>rd</sup> August, 2018**

## MOHINDRA FASTENERS LIMITED

### Annexure to the Point 6(c)

Sr. No.	Particulars	Details
1	CSR project or activity identified	Educational
2	Sector in which the project is covered	Promoting the noble Cause of establishment of University, Global School, Management Institute, Technical Institute and Research Institute & Hospitals at one place.
3	Projects or Programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Other:- Sector 22E, main Yamuna Expressway
4	Total Amount Outlay (budget project or Programme wise)	Rs. 14,05,567 (Rupees Fourteen Lakhs Five Thousand Five Hundred and Sixty Seven only).
5	Total Amount spent on the project or Programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Rs. 14,05,567 (Rupees Fourteen Lakhs Five Thousand Five Hundred and Sixty Seven only).
6	Total Cumulative expenditure up to the reporting period	Rs. 14,05,567 (Rupees Fourteen Lakhs Five Thousand Five Hundred and Sixty Seven only)
7	Amount Spent direct or through implementing agency	Through Implementing agency called <b>Hans Vahini Shiksha Smiti</b> , a Charitable Educational Society.

## ANNEXURE VIII TO THE DIRECTOR'S REPORT

### 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 2017–2018.

#### OVERVIEW

**Mohindra Fasteners Limited** (MFL) ("The Company") is a well known name in the Fastener Industry. The company's infrastructure is spread across **three plants** with latest equipments for manufacturing of high quality fastener assortments.

MFL believes in continuous improvements through Product improvements, Process improvements, and employees' skill enhancement. In its constant pursuit of excellence in manufacturing, the company is supported by its trained workforce comprising of experienced engineers and skilled workers led by a top level management with proven track record.

Our company philosophy has always focused on customer satisfaction with uncompromising integrity. We strive to carry products and new developments with the finest value and quality in the market. In order to meet our customers' expectations, we ensure that our sales team generates enthusiasm and respond with extra efforts in addressing our customers' needs.

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 and guidelines issued by SEBI (LODR) Regulations, 2015. The Ind AS are prescribed under Section 133 of the Act, read with Rules 3 of the Companies (Indian Accounting Standards) Rules, 2015, and relevant amendment rules issued thereunder.

The company has adopted the Ind AS Standard w.e.f. April 1, 2017 in accordance with Ind AS 101. The transition was carried out from the Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the previous GAAP.

The Management of the 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, the form and substance of transactions, the state of affairs and profits for the year reflect in a true and fair manner.

#### ECONOMIC ENVIRONMENT

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

However, the last leg of 2017 did not pan out exactly the way the current government would have wanted it to. It also showed the kind of policy challenges that the government will have to deal in 2018. The goods and services tax (GST) continues to face implementation issues. Even though the latest gross domestic product (GDP) data showed that the Indian economy is recovering from the twin policy shocks of demonetization and GST, and the pace of growth is likely to be higher in 2018 than 2017, broader economic management will not be easy. This is despite the ongoing synchronized global recovery, which will help the Indian economy during the year.

After registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be 6.5 per cent in 2017- 18, as per first Advance Estimates released by CSO. This is slightly lower than the range of 6.5 per cent to 6.75 per cent being currently projected based on recent developments. Even with this lower growth for 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction

in the fiscal deficit to GDP ratio makes it all the more credible. In addition to the introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the momentum of reforms.

After remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and strengthened further in 2017-18. There was an augmentation in the spot levels of foreign exchange reserves to close to US\$ 414 billion, as on 12th January 2018. With world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should be supporting higher growth. On balance, country's economic performance should witness an improvement in 2018-19. India's merchandise exports and imports grew 11.02 per cent and 21.04 per cent on a y-o-y basis to US\$ 273.73 billion and US\$ 416.87 billion, respectively, during April-February 2017-18. Indian merchandise exports in dollar terms registered a growth of 4.48 per cent year-on-year in February 2018 at US\$ 25.83 billion, according to the data from Ministry of Commerce & Industry.

In 2017-2018, therefore, not only has India established itself as the world's fastest growing major economy, underpinned by a stable macro-economy with declining inflation and improving fiscal and external balances, but it has also emerged as one of the few economies enacting major structural reforms that have strong longer term implications.

### **INDUSTRIAL STRUCTURE AND DEVELOPMENT**

The Government has undertaken a number of economic and institutional reforms, which have led to significant up-gradation in the ranking of Ease of Doing Business of the World Bank Report 2018. The recent upgrade of India's rating by the US based credit rating agency Moody's (Baa2 from Baa3) in recognition of the reforms agenda pursued by the Government is a major boost to investor confidence. Further, as the short term disruptions caused by major reforms such as the Goods and Services Tax (GST) and demonetization recede, the economy is on the rebound and is likely to achieve higher growth targets in the New Year.

The year 2017-18 has been remarkable for India's global image as a promising investment destination. In recognition of the reforms carried out by the Government, Moody's Investor Service upgraded India's sovereign credit rating to Baa2 from the lowest investment grade of Baa3 after a period of 13 years.

India ranked 100 among 190 countries assessed by the Doing Business Team in the Ease of Doing Business Report, 2018 with an improvement of 30 ranks over its rank of 130 in the Ease of Doing Business Report 2017. India saw an improvement in six out of ten indicators namely—Dealing with construction permits, getting credit, protecting minority investors, paying taxes, enforcing contracts and resolving insolvency.

These improvements in rankings have been a result of various reform measures undertaken by the Government including Structural and deep-seated reforms such as Goods and Services Tax (GST) and Insolvency and Bankruptcy Code (IBC); reforms aimed at strengthening India's institutions – Demonetization, mechanism for inflation targeting via the Monetary Policy; progress in Aadhaar enrollment and use in targeted delivery of benefits; and announcement of the Government's decision for recapitalization of public sector banks.

The Indian auto industry became the 4th largest in the world with sales increasing 9.5 per cent year-on-year to 4.02 million units (excluding two wheelers) in 2017. It was the 7th largest manufacturer of commercial vehicles in 2017.

India is also a prominent auto exporter and has strong export growth expectations for the near future. Overall automobile exports from India grew at 6.86 per cent CAGR between FY13-18. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two wheeler and four wheeler market in the world by 2020.

North American and European markets are estimated to have decent growth for industrial fasteners in near future. Furthermore, Latin America, Middle East, and Africa are projected to witness the moderate growth for industrial fasteners market owing to the rising demand from construction and automotive industry in the region within the forecast period.

High prices of steel are giving a tough time to the local industry. Steel plants which were shut by the Chinese government, in the wake of increasing air pollution, is one of the reasons behind the rising steel prices in the country.

Steel import from China has decreased and a lot of Indian mills are facing solvency and bankruptcy proceedings under IBC.

Industries which use steel as raw material — cycle and cycle parts, auto parts, machine tool, hand tools — are worst affected. Fixing prices of the finished products has become a tough task for the industries. Frequently changing the price of end products is difficult and the change in price of raw material is giving a tough time to the industry.

### **OPPORTUNITIES**

The automobile industry is the largest consumer of fasteners. The other major user-segments are machinery, railway locomotives, construction, computer hardware and general engineering. There exists huge export potential for Indian industrial fasteners. However, poor product standardisation, relatively higher raw material costs and low labour productivity make Indian fasteners less competitive in the global market.

In 2018, worldwide demand for industrial fasteners is forecast to amount to US\$93.8 billion. The revenue in Asia Pacific will register US\$40.75 billion, US\$18.85 billion in Europe, US\$20.05 billion in North America and US\$14.15 billion in other regions, respectively. The outlook of fastener market prospects remains optimistic, mainly driven by the demand from automotive, construction, machinery, household appliances, aeronautics and space sectors; as well as by economic and industrial policies in emerging economies.

This rapid growth and evolving strengths in R&D and supply chain in the country in various industries are creating fantastic opportunities for engineering and manufacturing companies. In view of this, most large international players have already entered or are taking bold steps to enter the market.

Moreover, our Company is known for its quality products and we are expanding our business in Global Market.

### **THREATS**

- Poor availability of skilled labor and expensive technologies is one of the threats which exist for Indian Fastener Sector.
- The Price increase of Fasteners Product.
- Increased congestion in urban areas is one of the main reasons which create hindrance in growth of Automotive Sector.
- Changes in regulatory requirements.
- Growing competition at domestic as well as overseas market.
- Geopolitical changes in respect to global tariffs being imposed.

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

### **CHALLENGES**

Current challenges faced by the fasteners industry include price increase of fastener products, low level of product differentiation, and the price cutting war among vendors. MFL faces market challenge and competition from other manufacturers of high tensile fasteners also. 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.

Employee cost has been an area where the Company is putting its resources to bring it at industry norms level. We do recognize that our current costs are higher than industry average and we are working on the same.

### **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.
- More than 50% of Tonnage exported to Europe, UK and USA.

## MOHINDRA FASTENERS LIMITED

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- Entering into the new markets.
- Ability to handle carbon/alloy/ball- bearing/spring/stainless steel for various products and applications.
- Ability to develop new components in short time.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company is in the business of manufacture of high tensile fasteners. Since the Company is operating in a single line of product, there are no reportable primary segments. The performance of this product is covered in 'Review of Operations' which forms part of Directors' Report.

### **OUTLOOK**

India continues to be one of the fastest growing economies in the World and this is expected to continue in financial year 2018-19 also, as per the latest economic survey. With GST having been successfully implemented, trade conditions have established and we are witnessing a gradual improvement in demand.

The interest rates have softened and inflation is under control. The industry and infrastructural sectors are expected to benefit out of this and the automobile industry, in particular is expected to perform much better in the coming years.

The fasteners market in India is closely linked to the performance of the Indian auto industry as it is the largest consumer of fasteners. Currently, the auto industry is growing, resulting in an upswing witnessed in the fasteners sector.

Your Company is currently operating in 2 business verticals viz. OE/Automotive sales which constitutes about 40% of the sales revenue and Exports which constitute about 60% of the sales revenue.

The OE/Automotive sales are predominantly to the 2 wheeler segment(direct supplies to Hero MotoCorp Ltd) and a lot of Tier 1 vendors of Maruti, Hyundai and Tata Motors Ltd. All the above segments are buoyant and are showing good growth in the current year. Hero MotoCorp has increased its business and market share and is growing at over 10%. Even the sales in the Car/SUV segment are high and expected to surpass all previous records in the current financial year. The heavy truck segment is giving positive results, for the 2nd year in succession. With all the segments showing positive and unprecedented growth, this translates into higher business opportunities for us. Our revenue from operations in all the above segments in the Q1 of 2018-19 has grown by over 10% on YOY basis. A good monsoon and a festival period thereafter will ensure that sales are continuously running in this segment of business.

Exports have always remained a back bone of the company and the results have been encouraging. The Exports besides adding to the top line of the company also contribute towards better profits and foreign exchange earnings for the company and the country. Our export orders in hand, as of date, are sufficient to run machines and sales for the next couple of months. The order inflow is a running continuous process and the international markets are doing well and we hope to continue the momentum. Our revenue from operations in Exports in Q1 of 2018-19 has grown by over 10% on YOY basis. With a good order book and customer support and the product variety in hand, we expect about 15% growth in this segment in the whole year.

Our company is focusing on cost reduction measures as well as to improve processes to enhance customer satisfaction which will have a long term benefit in helping your company to achieve its goals and scale new heights in the growth path.

### **RISKS & CONCERNS**

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets include loans, trade and other receivables, cash and short-term deposits that derive directly from its operations. The Company also holds short term investments.

The Company is exposed to financial risk in terms of market risk, credit risk, interest rates, foreign exchange rates, increase in commodity prices and liquidity risk. The Company's senior management oversees the management of these risks. Though the Company always remains cautious for such concerns, it always reviews its policy to check these concerns from time to time.



All operating divisions of the Company would identify the 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.

The Senior Management reviews each of these risks, which are summarised below:

**a) Market risk**

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

**b) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including, foreign exchange transactions and other financial instruments.

The Company enters into long term contracts with its regular customers thereby eliminating uncertainties and this also mitigates the risk exposure on high risk customers and avoids any such contracts with them. Further, none of the customers' form more than 12% of the total company's revenues as the Company makes a continuous effort in expanding its customer base. Outstanding customer receivables are regularly monitored and reviewed by the Senior Management periodically. As of 31<sup>st</sup> March, 2018, the top 10 customers accounted for approximately 52% (approx.) of all the receivables outstanding. As of 31<sup>st</sup> March, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 31<sup>st</sup> March analyzed by the length of time past due, are:

(Rs. in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
More than 180 days	155.89	203.35
Not More than 180 days	2089.81	1824.87

**c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. At 31<sup>st</sup> March, 2018, approximately 30% of the Company's borrowings are at a fixed rate of interest.

**d) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's borrowings in foreign currency. (Refer Note No. 38 to Ind AS Financial Statement)

**e) Equity price risk**

The Company's investments are in listed and unlisted equity securities. All the investments in the equity portfolio are reviewed and approved by the Board of Directors.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 16.68 Lakhs (31<sup>st</sup> March, 2017: Rs. 12.15 Lakhs)

**f) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made by way of fixed deposits with scheduled banks within the limits assigned by the Senior Management.

**g) Liquidity risk**

The Company's objective is to maintain a current ratio of 1.25 with an optimal mix of short term loans and long term loans. Approximately 32% of the Company's long term debt will mature in less than one year as at 31<sup>st</sup> March, 2018 based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a variety of sources of funding and debt maturing within 12 months which can be rolled over with existing lenders. RBI has recently discontinued the practice of issuance of LoU's/LoC's for Trade Credits for imports into India with immediate effect i.e. 13.03.2018, which affects the company in short to medium term. The Board of Directors periodically review the Company's business requirements vis-a-vis the source of funding.

The table below summaries the maturity profile of the Company's financial liabilities:

(Rs. in Lakhs)

<b>Year ended 31<sup>st</sup> March, 2018</b>	<b>Less than 180 days</b>	<b>More than 180 days</b>
Interest-bearing borrowing	199.78	337.38
Other financial liabilities	-	100.00
Trade Payables	1579.85	96.80
<b>Year ended 31<sup>st</sup> March, 2017</b>	<b>Less than 180 days</b>	<b>More than 180 days</b>
Interest-bearing borrowing	224.20	536.58
Other financial liabilities	-	100.00
Trade Payables	1540.08	74.10

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate Internal Control System to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. The management reviews the actual performance of all the divisions of the Company on a regular basis.

In line with the internal audit program, regular audits are conducted by Chartered Accountants and their reports are reviewed in details by the Audit Committee of your Company. The Audit Committee interacts with the Statutory Auditors and the Internal Auditors on the findings of the audits and also to ascertain their views on the adequacy of internal control systems. The Auditors inform their key findings to the Board of Directors during every quarterly meeting. Recommendations and suggestions are implemented by the Management.

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

During the year under review, the total Gross sales of the Company marginally increased to **Rs. 11,394.20 Lakhs** as compared to **Rs. 10,645.89 Lakhs** in the previous year. The increase over last year is over 7.00%.

The Profit before tax (PBT) of the Company is **Rs. 910.48 Lakhs** as compared to previous year figure of **Rs. 783.10 Lakhs**. The increase in profit before tax as compared to previous year is over 16%.

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

Mohindra Fasteners Limited (MFL), your Company considers people as its biggest assets. Human Resources are key to success of MFL. Your Company continuously invests in retention and development of talent on a continuous basis. Your Company's trust is on the promotion of talent internally through Job rotation and job enlargement.

During the year the focus of your Company was to ensure that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. Your Company continues to reward to its talented employees at all levels to recognize every effort made towards improvement in the workplace.

Your Company is proud to have in its team, more than 65 members who have spent over 10 years of service in this organization. It also boasts, of about 15 members who have been since incorporation of the company and have spent a little over 20 years. The Company places its appreciation on record to all the above members.

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company 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. The Company has also elaborated processes in place to prevent discrimination and harassment including sexual harassment, in caption of this Prevention of Sexual Harassment (POSH) Committee has been constituted. Whistle blower policy/vigil mechanism policy is also in place.

Our HR Department ensures 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.

### **CAUTIONARY STATEMENT**

Statements in this **Management Discussion and Analysis** describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments & other geopolitical developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

**By order of the Board**

**Deepak Arneja**

**DIN:00006112**

**Chairman Cum Managing  
Director & CEO**

**Place: New Delhi**

**Date: 3<sup>rd</sup> August, 2018**

**ANNEXURE “A” TO THE CORPORATE GOVERNANCE REPORT**  
**CEO AND CFO CERTIFICATION TO THE BOARD**

This is to certify to the Board of Directors that;

- A. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2018 and that to the best of our 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 Mohindra Fasteners Limited's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Mohindra Fasteners Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (i) Significant changes in internal control over financial reporting during the year.
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements. and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Place: New Delhi**

**Date: 28<sup>th</sup> May, 2018**

**(Deepak Arneja)**

**DIN: 00006112**

**Managing Director & CEO**

**(Sunil Mishra)**

**Chief Financial Officer**

## **ANNEXURE “B” TO THE CORPORATE GOVERNANCE REPORT**

### **INDEPENDENT AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE**

#### **TO THE MEMBERS OF**

#### **MOHINDRA FASTENERS LIMITED**

We have examined the compliance of conditions of corporate governance by Mohindra Fasteners Limited (“the Company”) for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) pursuant to the Listing Agreement of the Company with Stock Exchanges.

#### **Management’s Responsibility for compliance with the conditions of Listing Regulations**

The compliance with the terms & conditions contained in the corporate governance is the responsibility of the management of the Company including the preparation & maintenance of all relevant supporting records & documents.

#### **Auditor’s Responsibility**

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2018.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Opinion**

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

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

#### **Restriction on use**

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For M/s. B. L. Khandelwal & Co,  
Chartered Accountants  
(Firm Registration No. 000998N)**

**B. L. Khandelwal  
Partner  
(Membership No.F12331)**

**Place: Delhi**

**Date: 3<sup>rd</sup> August, 2018**

**ANNEXURE “C” TO THE CORPORATE GOVERNANCE REPORT**  
**DECLARATION ON ‘THE CODE OF CONDUCT’**

To,  
The Members of Mohindra Fasteners Limited

**Declaration under Para D of Schedule V of the**  
**SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**  
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This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has also been posted on the website of the Company i.e. [www.mohindra.asia](http://www.mohindra.asia).

It is further certified that all the members of the Board and Senior Management personnel of the Company have confirmed the compliance with the Code of Conduct of the Company for the financial year ended March 31, 2018 as envisaged in Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and there has been no instances of violation of the Code

**Delhi, 3<sup>rd</sup> August, 2018**

**Deepak Arneja**  
**DIN: 00006112**  
**Chairman Cum**  
**Managing Director & CEO**



# **B.L. Khandelwal & Co.**

## **CHARTERED ACCOUNTANTS**

*Head Office* : 1, Doctor's Lane, Gole Market, New Delhi-110001  
Tel.: 91 11 23742151, 23744372 / Resi.: 2786 2631 (M) 98103 54277, E-mail : [blkhandelwal@yahoo.com](mailto:blkhandelwal@yahoo.com)

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, FOR THE YEAR ENDED 31ST MARCH 2018**

To The Members of,  
MOHINDRA FASTENERS LIMITED

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of MOHINDRA FASTENERS LIMITED ("the company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including Other Comprehensive Income), Cash Flows and Changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 4 of Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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# **B.L. Khandelwal & Co.**

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### **INDEPENDENT AUDITOR'S REPORT (Contd.)**

#### **Opinion**

In our opinion and to the best of our information and according to the explanations furnished to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS;

- a) of the State of affairs (financial position) of the Company as at March 31, 2018;
- b) of the Profit (financial performance including Other Comprehensive Income) for the year ended on that date;
- c) of the Cash Flows for the year ended on that date; and
- d) of the Changes in Equity for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- "A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure - "B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations furnished to us :
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer note no. 36 to the Ind AS financial statements.
    - ii. The Company has no long-term derivative contracts and there are no other long term contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B.L. Khandelwal & Co.**  
Chartered Accountants  
Regn. No. 000998N

Delhi  
May 29, 2018

**B.L. Khandelwal**  
Partner  
Membership No. F12331

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# **B.L. Khandelwal & Co.**

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### **ANNEXURE- “A” TO INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

Annexure “A” referred to in our report under “Report on Other Legal and Regulatory requirements Para 1” of even date on the accounts for the year ended 31st March 2018.

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
(b) Fixed assets are physically verified by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) The title deeds of immovable properties of the company are held in the name of the Company based on the confirmation received from the Company.
2. The inventory has been physically verified, including inventories with third parties, at reasonable intervals during the year by the management. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
3. During the year, the company has not granted any loan to a company, firm, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. During the year, the company has not granted any loan nor provided any security. The Company has not made any investment during the year. Hence reporting on whether there is compliance with provisions of section 185 and 186 of the Companies Act, 2013 on these aspects does not arise.
5. The company has not accepted any deposit within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
6. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax (GST), Cess and other statutory dues to the appropriate authorities.  
(b) According to the information and explanations furnished to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax (GST) and Cess were in arrears, as at 31st March 2018 for a period of more than six months from the date they became payable.
8. Based on our verification and according to the information and explanations furnished by the management, the company has not defaulted in repayment of dues to its banks. The company has not issued debentures and hence question of reporting delay in repayment of dues does not arise.
9. (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting on utilization of such money does not arise.  
(b) The company has not availed term loan during the year. Hence reporting on utilization of such money does not arise.

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# **B.L. Khandelwal & Co.**

## **CHARTERED ACCOUNTANTS**

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### **ANNEXURE- "A" TO INDEPENDENT AUDITOR'S REPORT (Contd.)**

10. Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations furnished to us, managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
12. The Company is not a Nidhi company and as such this clause of the Order is not applicable.
13. (a) In our opinion and according to the information and explanations furnished to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013.  
(b) The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer note no.37 to the financial statements.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013.
15. In our opinion and according to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
16. The company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For **B.L. Khandelwal & Co.**  
Chartered Accountants  
Regn. No. 000998N

Delhi  
May 29, 2018

**B.L. Khandelwal**  
Partner  
Membership No. F12331



**ANNEXURE- “B” TO INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of MOHINDRA FASTENERS LIMITED, (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (hereinafter “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;



# **B.L. Khandelwal & Co.**

## **CHARTERED ACCOUNTANTS**

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### **ANNEXURE- "B" TO INDEPENDENT AUDITOR'S REPORT (Contd.)**

- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on;

- i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.
- ii. continuous adherence to Company's policies.
- iii. existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made and cash and bank balances.
- iv. existing system to prevent and detect fraud and errors.
- v. accuracy and completeness of Company's accounting records; and
- vi. existing capacity to prepare timely and reliable financial information.

For **B.L. Khandelwal & Co.**  
Chartered Accountants  
Regn. No. 000998N

Delhi  
May 29, 2018

**B.L. Khandelwal**  
Partner  
Membership No. F12331

**MOHINDRA FASTENERS LIMITED**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018**



		₹	₹	₹
Particulars	Note	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>I. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(i) Property Plant & Equipments	5	335138112	267543874	225397991
(ii) Capital Work in Progress	5	-	86535802	46205489
(iii) Intangible Assets	5	1272172	1465565	1659452
(iv) Financial Assets				
(a) Investments	6	1668390	1215070	528020
(b) Others	7	10082035	9917035	9862235
(v) Other Non Current Assets	8	3657402	3866779	4048835
<b>(2) Current Assets</b>				
(i) Inventories	9	256942966	258130226	249849931
(ii) Financial Assets				
(a) Trade Receivables	10	224570694	202822738	201705832
(b) Cash and Cash Equivalents	11	65950972	29299460	19270459
(c) Bank Balance other than mentioned Cash and Cash Equivalents	11	882588	688038	570240
(d) Loans	12	2094635	1709780	1009831
(e) Others	13	437516	644555	703036
(iii) Current Tax Assets (Net)	14	-	1942557	-
(iv) Other Current Assets	15	82034677	53295029	36617185
<b>Total (Assets)</b>		<b>984732159</b>	<b>919076508</b>	<b>797428536</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(i) Equity Share Capital	16	53568000	53568000	53568000
(ii) Other Equity		387566466	346510165	308382731
<b>(2) Non-Current Liabilities</b>				
(i) Financial Liabilities				
(a) Borrowings	17	43738733	63657928	3238429
(ii) Provisions	18	3954203	-	-
(iii) Deferred Tax Liabilities (Net)	19	34556501	32875901	29843010
<b>(3) Current Liabilities</b>				
(i) Financial Liabilities				
(a) Borrowings	17	217438103	187102164	197775522
(b) Trade Payables	20	211770074	199337638	173156653
(c) Other Financial Liabilities	21	4375116	4798095	1712642
(ii) Other Current Liabilities	22	20079137	17086426	12719187
(iii) Provisions	23	7261566	14140191	16593259
(iv) Current Tax Liabilities (Net)	24	424260	-	439103
<b>Total (Equity &amp; Liabilities)</b>		<b>984732159</b>	<b>919076508</b>	<b>797428536</b>

Notes 1 to 47 form an integral part of these financial statements

As per our Report of even date

**For B. L. Khandelwal & Co.**  
**Chartered Accountants**  
**FRN: 000998N**

**For & on Behalf of the Board of Directors**

**B. L. Khandelwal**  
**(Partner)**  
**Membership No.: F-12331**

**Sunil Mishra**  
**(Chief Financial Officer)**

**Ravinder Mohan Juneja**  
**(Managing Director)**  
**DIN : 00006496**

**Deepak Arneja**  
**(Chairman cum**  
**Managing Director & CEO)**  
**DIN : 00006112**

**Place : New Delhi**  
**Date : 29/05/2018**

**Nidhi Pathak**  
**(Company Secretary)**



# MOHINDRA FASTENERS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

		₹	₹
Particulars	Note	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Continuing Operations</b>			
Revenue from operations	25	1139419892	1064588828
Other Income	26	15533235	15325806
<b>Total Revenue</b>		<b>1154953127</b>	<b>1079914634</b>
<b>Expenses:</b>			
Cost of Materials Consumed	27	415949516	403077155
Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade	28	12839194	(33433950)
Excise Duty on sale of goods	-	16460396	72224141
Employee Benefits Expense	29	200250834	184055991
Finance Costs	30	15709612	12637905
Depreciation and Amortization Expense	31	30059988	28351528
Other Expenses	32	372635348	334691163
<b>Total Expenses</b>		<b>1063904888</b>	<b>1001603933</b>
<b>Profit before exceptional and tax</b>		<b>91048239</b>	<b>78310701</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>91048239</b>	<b>78310701</b>
<b>Tax expense:</b>	<b>33</b>		
Current Tax		29000000	24100000
Deferred Tax Liability/(Assets)		1739441	3117203
<b>Profit for the year</b>		<b>60308798</b>	<b>51093498</b>
<b>Other comprehensive income</b>	<b>34</b>		
<b>Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement gains/(losses) on defined benefit plans		(5692273)	(742000)
(b) Income tax effect on above		(58841)	(84311)
(c) Fair value gains/(losses) on Equity Instruments		453320	687050
(d) Income tax effect on above		-	-
<b>Total Other comprehensive income</b>		<b>(5297794)</b>	<b>(139261)</b>
<b>Total comprehensive income for the year</b>		<b>55011004</b>	<b>50954237</b>
(Comprising Profit and Other Comprehensive Income for the year)			
<b>Earnings per equity share</b>	<b>35</b>		
Basic (in ₹)		11.26	9.54
Diluted (in ₹)		11.26	9.54
<b>Weighted average number of equity shares used in computing earnings per equity share</b>			
Basic (in ₹)		5356800	5356800
Diluted (in ₹)		5356800	5356800

Notes 1 to 47 form an integral part of these financial statements

For B. L. Khandelwal & Co.  
Chartered Accountants  
Firm Reg. No.: 000998N

For & on Behalf of the Board of Directors

B. L. Khandelwal  
(Partner)  
Membership No.: F-12331

Sunil Mishra  
(Chief Financial Officer)

Ravinder Mohan Juneja  
(Managing Director)  
DIN : 00006496

Deepak Arneja  
(Chairman cum  
Managing Director & CEO)  
DIN : 00006112

Place : New Delhi  
Date : 29/05/2018

Nidhi Pathak  
(Company Secretary)



<b>A. Equity Share Capital</b>						
Particulars	As at 01 <sup>st</sup> April, 2016	Changes in equity share capital during the year	As at 31 <sup>st</sup> March, 2017	Changes in equity share capital during the year	As at 31 <sup>st</sup> March, 2018	
Equity Share Capital	53,568,000.00	-	53,568,000.00		53,568,000.00	
<b>B. Other Equity</b>						
Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	General Reserve	Capital Reserve	Other Reserves	Retained Earnings	Items that will not be reclassified to Profit and loss	
					Equity Instruments	Other Items
<b>Balance as at 1<sup>st</sup> April, 2016</b>	<b>23,000,000</b>	<b>574,340</b>	<b>8,309,394</b>	<b>275,461,084</b>	<b>390,403</b>	<b>647,510</b>
Profit for the year 16-17	-	-	-	51,093,498	-	-
Re-measurement of gain/(loss) on defined benefit	-	-	-	-	-	-
Plans (Net of tax)	-	-	-	-	-	(657,689)
Fair value gain/(loss) of equity instruments through	-	-	-	-	-	-
Other Comprehensive Income (Net of tax)	-	-	-	-	687,050	-
Less: Dividend of 15-16 paid in 16-17	-	-	-	(10,713,600)	-	-
Less: CDT of 15-16	-	-	-	(2,181,037)	-	-
Less: Excess/(Short) Provision of Previous Year	-	-	-	(100,788)	-	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>23,000,000</b>	<b>574,340</b>	<b>8,309,394</b>	<b>313,559,157</b>	<b>1,077,453</b>	<b>346,510,165</b>
Profit for the year	-	-	-	60,308,798	-	60,308,798
Re-measurement of gain/(loss) on defined benefit	-	-	-	-	-	-
Plans (Net of tax)	-	-	-	-	-	(5,633,432)
Fair value gain/(loss) of equity instruments through	-	-	-	-	453,320	-
<b>Other Comprehensive Income (Net of tax)</b>	-	-	-	-	-	-
Less: Dividend of 16-17 paid in 17-18	-	-	-	(12,052,800)	-	-
Less: CDT of 16-17	-	-	-	(2,453,667)	-	-
Less: Excess/(Short) Provision of Previous Year	-	-	-	434,082	-	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>23,000,000</b>	<b>574,340</b>	<b>8,309,394</b>	<b>3,59,795,570</b>	<b>1,530,773</b>	<b>3,87,566,466</b>
<b>Notes 1 to 47 form an integral part of these financial statements</b>						

**MOHINDRA FASTENERS LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

	₹	₹
Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>A. Cash Flow from Operating Activities</b>		
Profit/(Loss) before tax	91048239	78310701
Adjustment to reconcile net income in net cash provided by operating activities		
Depreciation and amortization	30059988	28351528
(Profit)/ Loss on Sale of Fixed Assets (Net)	(40267)	874565
Finance Costs	15709612	12637905
Interest Income	(2730648)	(2599160)
Dividend Income	(7880)	(6680)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>134039044</b>	<b>117568859</b>
Adjustments for (increase)/ decrease in operating assets:		
- Inventories	(8167470)	(5800133)
- Trade and Other Receivables	(48536961)	(18308855)
Adjustments for increase/ (decrease) in operating Liabilities:		
- Trade & Other Payables	15545653	27840649
Cash generated from Operations	92880267	121300520
Taxes Paid (Net)	(28283183)	(26582557)
<b>Net Cash generated from Operating Activities (A)</b>	<b>64597084</b>	<b>94717963</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital Expenditure on Fixed Assets	(11227635)	(112229188)
Proceeds from sale of Fixed Assets	642871	720785
Interest Income	2730648	2599160
Dividend Income	7880	6680
<b>Net Cash generated from Investing Activities (B)</b>	<b>(7846236)</b>	<b>(108902563)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds/(Repayment) of Long Term Borrowings (Net)	(22360768)	79993592
Proceeds/(Repayment) of Short term Borrowings (Net)	32777511	(30247450)
Finance Cost Paid	(15709612)	(12637905)
Dividends Paid	(12052800)	(10713600)
Dividend Distribution Tax	(2453667)	(2181037)
<b>Net Cash generated from Financing Activities (C)</b>	<b>(19799336)</b>	<b>(24213600)</b>
Net increase in cash and cash equivalents	36951512	10029001
Cash and Cash Equivalents at the Beginning of the Year	29299460	19270459
Cash and Cash Equivalents at the End of the Year*	65950972	29299460

# MOHINDRA FASTENERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (Contd.)



## Notes:

- (i) Cash Flow are reported using the Indirect Method.
- (ii) The Cash Flow Statement reflects the combined cash flows pertaining to continuing operations.
- (iii) All figures in brackets are outflows/ decrease in cash & cash equivalent.
- (iv) Previous years figures have been regrouped/restated wherever necessary.
- (v) \*Cash and Cash Equivalents are Cash and Bank balances as mentioned in Note No. 11

As per our Report of even date  
**For B. L. Khandelwal & Co.**  
**Chartered Accountants**  
**FRN: 000998N**

**For & on Behalf of the Board of Directors**

**B. L. Khandelwal**  
**(Partner)**  
**Membership No.: F-12331**

**Sunil Mishra**  
**(Chief Financial Officer)**

**Ravinder Mohan Juneja**  
**(Managing Director)**  
**DIN : 00006496**

**Deepak Arneja**  
**(Chairman cum**  
**Managing Director & CEO)**  
**DIN : 00006112**

**Place : New Delhi**  
**Date : 29/05/2018**

**Nidhi Pathak**  
**(Company Secretary)**

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018

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### 1. Corporate Information

Mohindra Fasteners Limited ("MFL" or "the Company") is incorporated in India and its shares are listed but not publicly traded in the Metropolitan Stock Exchange of India Limited ('MSEI'), in India.

The registered office of the Company is situated at 304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, Delhi-110087

### 2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, as amended, provisions of the Companies Act, 2013, to the extent notified and pronouncements of the Institute of Chartered Accountants of India.

**Disclosures under Ind AS are made only in respect of material items and in respect of the items that will be useful to the users of financial statements in making economic decisions.**

The financial statements for the year ended 31st March 2018 (including comparatives) are duly adopted by the Board on May 29, 2018 for consideration and approval by shareholders.

### 3. Summary of accounting policies

#### 1) Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement bases summarized below.

#### 2) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable and net of returns, trade allowances and rebates and amounts collected on behalf of third parties. It includes Excise Duty, but excludes GST, Value Added Tax, Sales Tax and Service Tax.

##### i. Sale of Products:

Revenue from sale of products is recognised when significant risks and rewards of ownership pass to the customers, as per the terms of the contract and when the economic benefits associated with the transactions will flow to the Company.

##### ii. Interest and Dividend Income:

Interest incomes are recognized using the effective interest method. Interest income is included in other income in the statement of profit and loss.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

#### 3) Property, plant and equipment

- i. Free hold land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation/amortization and impairment, if any. Cost includes:

- a. Purchase Price
- b. Taxes and Duties
- c. Labour cost and
- d. Directly attributable overheads incurred upto the date the asset is ready for its intended use.

However, cost excludes excise duty, value added tax and service tax, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

ii. Component Accounting:

The component of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of the respective asset, the life of the component in assets are determined based on technical assessment and past history of replacement of such components in the assets. The carrying amount of any component accounted for as separate asset is derecognised when replaced.

iii. Other cost:

All other repairs and maintenance cost are charged to the statement of profit and loss during the reporting period in which they are incurred.

Profit or Losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within other income/(loss).

iv. Depreciation and amortization:

- a. Depreciation is recognized on a straight line basis, over the useful life of the buildings and other equipments as prescribed under Schedule II of the Companies Act, 2013.
- b. Depreciation on tangible fixed assets is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.
- c. The residual value for all the above assets are retained at 5% of the cost. Residual values and useful lives are reviewed and adjusted, if appropriate, for each reporting period.
- d. On tangible fixed assets added/disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

#### **4) Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Computer software are amortised over a maximum period of 5 years.

#### **5) Impairment**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In respect of assets whose impairment are to be assessed with reference to other related assets and such group of assets have independent cash flows (Cash Generating Units), such assets are grouped and tested for impairment.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of the each reporting period.

#### **6) Leases**

Assets taken on lease

As per the terms of lease agreements there is no substantial transfer of risk and reward of the property to the Company and hence such leases are treated as operating lease.

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

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The payments on operating lease are recognized as an expense over the lease term. Associated costs, such as maintenance and insurance, are expensed.

#### 7) Financial instruments

##### i. Financial Assets

###### a. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

###### b. Subsequent measurement

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### c. Impairment of financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

##### ii. Financial liabilities

###### a. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

###### b. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### iii. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**8) Inventories**

Inventories are valued at lower of cost or net realizable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Cost is ascertained on FIFO basis in accordance with the method of valuation prescribed by the Institute of Chartered Accountants of India.

**i. Raw materials**

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use.

**ii. Work-in-process and Finished Goods**

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials and are valued at Cost or Net Realizable Value, whichever is less.

**iii. Stores and spares**

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

**9) Income Taxes**

Tax expense recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the Balance Sheet Approach on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income (OCI) are disclosed under OCI.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future tax liability. This is assessed based on the Company's forecast of future earnings, excluding non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies some exemptions.

**10) Post-employment benefits and short-term employee benefits**
**i. Short term obligations:**

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognised up to the end of the reporting period at the amounts expected to be paid at the time of settlement.

**ii. Other long term employee benefit obligations:**

The liabilities for earned leave are not expected to be settled wholly within 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income(OCI).

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**iii. Post-employment obligation:**

The Company operates the following post-employment schemes:

- a. Defined benefit plans such as gratuity for its eligible employees



## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

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- b. Defined contribution plan such as provident fund

Gratuity obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expenses in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (net of deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit or Loss or service cost.

Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary. The provident fund contributions are made to EPFO.

Bonus Payable:

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### 11) Provisions and contingent liabilities

- i. Provisions:

A Provision is recorded when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are evaluated at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. No discounting of provision amount has been made as time value of money is not material.

Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

- ii. Contingent Assets:

The Company does not recognise contingent assets. If it is virtually certain then they will be recognised as asset. These are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

#### 12) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including

a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares. There is no diluted earnings per share as there are no dilutive potential equity share.

### 13) Cash and Cash equivalents and Cash Flow Statement

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within twelve months from the date of acquisition and which are readily convertible into cash and which are subject to only an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents include cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of twelve months or less.

### 14) Segment reporting

The Company is engaged in manufacture and sale of cold and hot forged fasteners, precision machined components and other parts. The company operates in the same segment which is subject to similar risk and returns and thus the company has only one reportable segment.

### 15) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

## 4. Significant management judgment in applying accounting policies and estimation of uncertainty

While preparing the financial statements, management has made a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

### i. Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have significant effect on the financial statements.

#### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues.

### ii. Estimation of uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different.

#### a. Impairment of Non-Financial Asset

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

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In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

b. Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of assets including Intangible Assets.

c. Inventories

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes.

d. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

e. Fair value measurement

Management has used valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction on the reporting date.

**Note : 5 Fixed Assets**

Particulars	Gross Block				Depreciation & Amortization				Net Block			
	As at 01-04-2016	Adj./ Add.	(Ded.)	As at 01-04-2017	Adj./ Add.	(Ded.)	As at 01-04-2018	Adj./ Add.	(Ded.)	As at 01-04-2018	Adj./ Add.	(Ded.)
<b>Tangible Assets:</b>												
<b>Own Assets</b>												
Industrial Freehold Land	5896898	-	-	5896898	76610015	-	82506913	-	-	82506913	5896898	5896898
Buildings	75047381	-	-	75047381	370539	-	75417920	25621387	2188973	45418233	47237021	49425994
Plant & Machinery	444363689	69734957	-	514098646	19918054	661918	533354782	287539366	22877402	334908464	203681878	156824323
Furniture & Fittings	8200118	183852	-	8383970	252088	-	8636058	5270297	613625	6451662	2500048	2929821
Motor Vehicles	9425223	528555	2023689	7930089	-	368819	7561270	4188826	893936	5147386	3275666	5236397
Office Equipment	6439452	674372	-	7113824	188191	-	7302015	3588206	312509	4462096	3233109	2871246
Computers and Data Processing Units	10311336	465408	-	10776744	164550	-	10941294	8098024	959466	9612845	1719254	2213312
<b>Sub Total (A)</b>	<b>559684097</b>	<b>71587144</b>	<b>2023689</b>	<b>629247552</b>	<b>97503437</b>	<b>1030737</b>	<b>725720252</b>	<b>334286106</b>	<b>27845911</b>	<b>335138112</b>	<b>267543874</b>	<b>225397991</b>
<b>Intangible Assets:</b>												
Computer Software	3965954	311730	-	4277684	410000	-	4687684	2306502	505617	2812119	603393	1659452
<b>Sub Total (B)</b>	<b>3965954</b>	<b>311730</b>	<b>-</b>	<b>4277684</b>	<b>410000</b>	<b>-</b>	<b>4687684</b>	<b>2306502</b>	<b>505617</b>	<b>3415512</b>	<b>1465565</b>	<b>1659452</b>
<b>Capital Work-in-Progress</b>	<b>563650051</b>	<b>71898874</b>	<b>2023689</b>	<b>633525236</b>	<b>97913437</b>	<b>1030737</b>	<b>730407936</b>	<b>336592608</b>	<b>28351528</b>	<b>393997652</b>	<b>269009439</b>	<b>227057443</b>
	46205489	40330313	-	86535802	-	86535802	-	-	-	-	86535802	46205489
<b>Sub Total (C)</b>	<b>46205489</b>	<b>40330313</b>	<b>-</b>	<b>86535802</b>	<b>-</b>	<b>86535802</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86535802</b>	<b>46205489</b>
<b>Total (A + B + C)</b>	<b>609855540</b>	<b>112229187</b>	<b>2023689</b>	<b>720061038</b>	<b>97913437</b>	<b>87566539</b>	<b>730407936</b>	<b>336592608</b>	<b>28351528</b>	<b>393997652</b>	<b>335452441</b>	<b>273262932</b>

# MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

## Note : 6 Non-Current Investments

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>I) Fair value through Other Comprehensive Income</b>			
<b>Investment in Equity Instruments</b>			
<b>(Quoted)</b>			
1800 (PY 1800) Equity Shares of Rs. 10/- (PY Rs.10/-)each in Bank of India (Fully paid)	199980	268830	174690
3000 (PY 3000) Equity Shares of Rs. 2/- (PY Rs.2/-) each in Sterling Tools Limited ( Fully Paid )	1230300	778650	270360
400 (PY 400) Equity Shares of Re. 1/- (PY Re. 1/-) each in Sundram Fasteners Limited (Fully Paid)	232080	161200	68320
150 (PY 150) Equity Shares of Rs. 10/- (PY Rs.10/-) each in Lakshmi Precision Screws Ltd. (Fully Paid)	6030	6390	4650
	<b>1668390</b>	<b>1215070</b>	<b>518020</b>
<b>II) Investment carried at Cost</b>			
<b>Investment in Equity Instruments</b>			
<b>(Unquoted)</b>			
1000 (PY 1000) Equity Shares of Rs. 10/- each in Elegant Footwear Ltd. (Fully Paid up)	-	10000	10000
Less :- Provision for diminution in value	-	10000	-
	-	-	<b>10000</b>
<b>Total in ₹</b>	<b>1668390</b>	<b>1215070</b>	<b>528020</b>
<b>Other Information</b>			
<b>Quoted Investments</b>			
Market Value	1668390	1215070	518020
<b>Unquoted Investments</b>			
Cost	-	10000	10000
Aggregate amount of impairment in value of Investment	-	10000	-
Note : Figures in ( ) are in respect of previous year			

## Note : 7 Others

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>(Unsecured, considered good)</b>			
Security Deposits	10082035	9917035	9862235
<b>Total in ₹</b>	<b>10082035</b>	<b>9917035</b>	<b>9862235</b>

**Note : 8 Other Non Current Assets**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>(Unsecured and Considered good)</b>			
Defined Benefits Plans - Gratuity*	-	351361	533417
Leave Encashment**	141984	-	-
Balance with Revenue Authorities	3515418	3515418	3515418
<b>Total in ₹</b>	<b>3657402</b>	<b>3866779</b>	<b>4048835</b>

\* Refer Note No. 29.1(b)(i)

\*\* Refer Note No. 29.1(b)(ii) and it includes LIC Leave Adjustment

**Note : 9 Inventories**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Raw Material	69608353	57817051	92416839
Work-in-Progress	45443319	65043064	33206608
Finished Goods	60389433	63080684	61837176
Consumables, Stores, Tools, Spares & Packing Material	76896380	69108758	53687659
Scrap	484999	387927	33941
Goods-in-Transit	4120482	2692742	8667708
<b>Total in ₹</b>	<b>256942966</b>	<b>258130226</b>	<b>249849931</b>
<b>Note 9.1. :- Goods in Transit includes the followings :-</b>			
Raw Material	4120482	1047493	7172544
Consumables, Stores, Tools, Spares & Packing Material	-	1645249	1495164
<b>Total in ₹</b>	<b>4120482</b>	<b>2692742</b>	<b>8667708</b>

**Note : 10 Trade Receivables**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>( Unsecured , Considered good)</b>			
Outstanding for more than six months	15589084	20335107	18980043
Others	208981610	182487631	182725789
<b>Total in ₹</b>	<b>224570694</b>	<b>202822738</b>	<b>201705832</b>

**MOHINDRA FASTENERS LIMITED**Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)**Note : 11 Cash & Cash Equivalents**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Balances with Banks (Current Account)	2896436	2992033	1523741
Cash on Hand	243201	266877	452109
Fixed Deposit with Bank**	62811335	26040550	17294609
<b>Total in ₹ (A)</b>	<b>65950972</b>	<b>29299460</b>	<b>19270459</b>

**Note : 11 Bank balance other than above mentioned Cash & Cash Equivalents**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Earmarked Balances with Banks (Unpaid Dividend Account)	882588	688038	570240
<b>Total in ₹ (B)</b>	<b>882588</b>	<b>688038</b>	<b>570240</b>
<b>Total in ₹ (A)+(B)</b>	<b>66833560</b>	<b>29987498</b>	<b>19840699</b>

\*\* Fixed Deposit with bank includes deposits of Rs. 250.00 Lacs (Previous year Rs. 160.41 Lacs) pledged with bank as Margin Money for Letter of Credit issued by them.

\*\*Fixed Deposit with bank includes deposits of Rs. 290.00 Lacs (Previous year Rs. 10.00 Lacs) with maturity of more than 12 months.

**Note: 12 Loans**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Advance to Employees	2094635	1709780	1009831
<b>Total in ₹</b>	<b>2094635</b>	<b>1709780</b>	<b>1009831</b>

**Note: 13 Others**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Security Deposits	90283	390283	404950
Interest Accrued But Not Yet Due	347233	254272	298086
<b>Total in ₹</b>	<b>437516</b>	<b>644555</b>	<b>703036</b>

**Note :14 Current Tax Assets- (Net)**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Advance Income Tax including TDS (Net of Provision for Taxation)	-	1942557	-
<b>Total in ₹</b>	<b>-</b>	<b>1942557</b>	<b>-</b>



**Note :15 Other Current Assets**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Advance to Suppliers	1060472	2022561	709515
Balance With Revenue Authorities	79290050	45346098	34474769
Advance to Others	1270865	982734	662778
Other Current Assets	413290	4943636	770123
<b>Total in ₹</b>	<b>82034677</b>	<b>53295029</b>	<b>36617185</b>

**Note : 16 Share Capital**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>AUTHORIZED SHARE CAPITAL</b>			
6500000 Equity Shares of Rs. 10/- each. (P.Y. 6500000 Equity Shares of Rs. 10/- each)	65000000	65000000	65000000
5500000 Non Convertible Cumulative Preference Shares of Rs. 10/- each. (P.Y. 5500000 Non Convertible Cumulative Preference Shares of Rs. 10/- each.)	55000000	55000000	55000000
	120000000	120000000	120000000
<b>ISSUED CAPITAL</b>			
5471300 Equity Shares of Rs. 10/- each, fully paid up (P.Y. 5471300 Equity Shares of Rs. 10/- each fully paid up)	54713000	54713000	54713000
<b>SUBSCRIBED AND PAID UP CAPITAL</b>			
5356800 Equity Shares of Rs. 10/- each fully paid up (P.Y. 5356800 Equity Shares of Rs. 10/- each fully paid up)	53568000	53568000	53568000
<b>Total in ₹</b>	<b>53568000</b>	<b>53568000</b>	<b>53568000</b>

<b>a) The Reconciliation of the Number of Equity Shares</b>	No of Shares	No of Shares	No of Shares
Balance at the begning of the year	5356800	5356800	5356800
Add:- Issued Shares During the Year	-	-	-
<b>Balance at the end of the Year</b>	<b>5356800</b>	<b>5356800</b>	<b>5356800</b>
b) The company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.			
c) 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.			

**MOHINDRA FASTENERS LIMITED****Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)**

d) Details of Shareholders holding more than 5% Shares as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017 are as follows:

Name of Shareholders	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Deepak Arneja			
No of Shares	421000	421000	421000
(% of Shares held)	7.86	7.86	7.86
Ravinder Mohan Juneja			
No of Shares	484650	484650	484650
(% of Shares held)	9.05	9.05	9.05
Anurag Arneja			
No of Shares	450800	450800	450800
(% of Shares held)	8.42	8.42	8.42
Ranbir Singh Narang			
No of Shares	403700	403700	403700
(% of Shares held)	7.54	7.54	7.54
Sudhir Arneja			
No of Shares	283700	283700	283700
(% of Shares held)	5.30	5.30	5.30
Mukesh Arneja			
No of Shares	280100	280100	280100
(% of Shares held)	5.23	5.23	5.23
Kanta Devi			
No of Shares	859400	859400	859400
(% of Shares held)	16.04	16.04	16.04

As per records of the Company, its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

- e) Bonus Shares/Buy Back Shares for consideration other than cash issued during the period of five years immediately preceeding the financial year ended 31<sup>st</sup> March, 2018.
- i) Aggregate number of equity shares allotted as fully paid pursuant to contract without payment being received in cash - NIL
- ii) Aggregate number of equity shares as fully paid up by way of bonus shares - NIL
- iii) Aggregate number of equity shares bought back - NIL

## f) Capital Management

The Company's capital management objectives is to ensure the adequate return to the shareholder by maintaining the optimal capital structure.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Borrowings	261176836	250760092	201013951
Cash and cash equivalents	(65950972)	(29299460)	(19270459)
<b>Capital</b>	<b>195225864</b>	<b>221460632</b>	<b>181743492</b>
Total Equity	441134466	400078165	361950731
<b>Overall Financing</b>	<b>441134466</b>	<b>400078165</b>	<b>361950731</b>
Gearing Ratio	44.26	55.35	50.21

## Note : 17 Borrowings (Current/Non-Current)

	₹	₹	₹	₹	₹	₹
Particulars	Current Portion			Non Current Portion		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Secured</b>						
<b>Term Loans</b>						
- From Bank						
- Foreign Currency Loan (Buyers Credit)*	17715611	20181561	2552245	17715611	35371463	2552244
- Indian Rupee Loan**	2263344	2238966	294190	6023122	8286465	686185
<b>Working Capital Loans</b>						
- Overdraft (Indian Rupees Loan)#	57610886	22969113	40350440	-	-	-
- Foreign Currency Loan (PCFC)##	119957992	119987469	119689773	-	-	-
- Foreign Currency Loan (Buyers Credit)###	19890270	21725055	34888874	-	-	-
<b>Total</b>	<b>217438103</b>	<b>187102164</b>	<b>197775522</b>	<b>23738733</b>	<b>43657928</b>	<b>3238429</b>
<b>Unsecured</b>						
<b>Loans and advances from related parties</b>						
- From Directors	-	-	-	10000000	10000000	-
- From Corporates^	-	-	-	10000000	10000000	-
<b>Total</b>	-	-	-	20000000	20000000	-
<b>Total in ₹</b>	<b>217438103</b>	<b>187102164</b>	<b>197775522</b>	<b>43738733</b>	<b>63657928</b>	<b>3238429</b>

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

\*Note: The foreign Currency Term Loan (Buyers Credit) { Current Year NIL) ( Previous Year Rs.555.53 Lacs) } arranged from overseas Bank primary secured against Plant & Machinery & 10% cash margin. The Letter of comfort has been issued by The Karnataka Bank Ltd under FLC & will be retired by availing buyers credit.

\*\*Note: The Term Loan arranged during the year is { (Current Year NIL) (Previous Year Rs.100 Lacs) } primary secured against P & M. Further, collaterally secured by the Factory Land & Building situated at 60th KM Stone and 70th KM Stone, Delhi-Rohtak Road, Vill.Kharawar and Vill.Gandhra Distt. Rohtak, Haryana and personal guarantee by the directors/Promoters/ Shareholders Mr. Deepak Arneja, Mr. Ravindra Mohan Juneja, Mr. Sudhir Arneja, Mr. Gagan Deep Singh Narang, Mr. Anurag Arneja and Mrs. Kanta Devi. The Vehicles loans arranged during the year from HDFC Bank are secured by hypothecation of respective vehicles.{ (Current Year NIL) (Previous Year Rs. 5.25 Lacs) }.

#### Repayment profile of Foreign Currency Loan and Term Loan secured is listed below :-In INR

Rate of Interest	Bank/Loan A/c No.	Nature of Loan	FY-2018-19	FY-2019-20	FY-2020-21	FY-2021-22
6M LIBOR+0.5%	Overseas Bank	Buyers credit	2,274,764	2,274,764	-	-
6M LIBOR+0.5%	Overseas Bank	Buyers credit	6,032,850	6,032,850	-	-
6M LIBOR+0.49%	Overseas Bank	Buyers credit	9,407,997	9,407,997	-	-
9.75%	HDFC/38917080	Vehicle Loan	263,344	23,122	-	-
10.75%	KBL/5467001609932001	Term Loan	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total</b>			<b>19,978,955</b>	<b>19,738,733</b>	<b>2,000,000</b>	<b>2,000,000</b>

#Note: Working Capital Facilities in Indian Currency and foreign currency from Karnataka Bank Ltd. are primarily secured by hypothecation of Stocks, Advances paid to Suppliers, Book Debts/Export Receivables of the Company and collaterally secured by the Factory Land & Building situated at 60th KM Stone and 70th KM Stone, Delhi-Rohtak Road, Vill.Kharawar and Vill.Gandhra Distt. Rohtak, Haryana and personal guarantee by the directors/Promoters/ Shareholders Mr. Deepak Arneja, Mr. Ravindra Mohan Juneja, Mr. Sudhir Arneja, Mr. Gagan Deep Singh Narang, Mr. Anurag Arneja and Mrs. Kanta Devi.

##Note: The outstanding balance is repayable on demand and carries interest @ Libor+200 BPS

###Note: Foreign currency loan (buyers credit) Rs. 198.90 Lacs (Prev.Year 217.25 Lacs ) arranged from overseas Bank for Raw Material and Letter of comfort has been issued by Karnataka Bank Limited

Rate of Interest	Bank/Loan A/c No.	Nature of Loan	FY-2018-19
6M LIBOR+0.7%	Overseas Bank	Buyers credit	3,796,857
6M LIBOR+0.49%	Overseas Bank	Buyers credit	7,005,434
US PRIME RATE+3%	Overseas Bank	Buyers credit	7,596,094
US PRIME RATE+3%	Overseas Bank	Buyers credit	1,491,885

^Note: Unsecured loans from corporates carry interest @ 10.50% per annum & Interest free from directors/ promoters.

#### Note : 18 Provisions

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Provision for Defined Benefit Obligations (Gratuity)*	3954203	-	-
<b>Total in ₹</b>	<b>3954203</b>	<b>-</b>	<b>-</b>

\* Refer Note No. 29.1(b)(i)

**Note : 19 Deferred Tax Liability (Net)**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Deferred Tax Liability	34556501	32875901	29843010
<b>Total in ₹</b>	<b>34556501</b>	<b>32875901</b>	<b>29843010</b>

**Note : 19.1**

	₹	₹	₹	₹
Particulars	01 <sup>st</sup> April, 2016	Recognised in Other Comprehensive Income (OCI)	Recognised of Statement of Profit & Loss	31 <sup>st</sup> March, 2017
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortization as per financials and depreciation as per tax	29617520	-	3014135	32631655
Software Expenditure	-	-	103067	103067
Gain / (Loss) on Foreign Exchange Fluctuation	-	-	-	-
Provision for employee benefits	225490	(84311)	-	141179
<b>Deferred Tax Liability (A)</b>	<b>29843010</b>	<b>(84311)</b>	<b>3117202</b>	<b>32875901</b>
Less: Deferred tax asset arising on account of :	-	-	-	-
Provision for employee benefits	-	-	-	-
<b>Deferred Tax Asset (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (DTA)/DTL</b>	<b>29843010</b>	<b>(84311)</b>	<b>3117202</b>	<b>32875901</b>

Particulars	01 <sup>st</sup> April, 2017	Recognised in Other Comprehensive Income (OCI)	Recognised of Statement of Profit & Loss	31 <sup>st</sup> March, 2018
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortization as per financials and depreciation as per tax	32631655	-	1055167	33686822
Software Expenditure	103067	-	113329	216396
Gain / (Loss) on Foreign Exchange Fluctuation		-	570945	570945
Provision for employee benefits	141179	(58841)		82338
<b>Deferred Tax Liability (A)</b>	<b>32875901</b>	<b>(58841)</b>	<b>1739441</b>	<b>34556501</b>
Less: Deferred tax asset arising on account of :	-	-	-	-
Provision for employee benefits	-	-	-	-
<b>Deferred Tax Asset (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (DTA)/DTL</b>	<b>32875901</b>	<b>(58841)</b>	<b>1739441</b>	<b>34556501</b>

**MOHINDRA FASTENERS LIMITED****Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)****Note : 20 Trade Payables**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Micro, Small & Medium Enterprises*	-	-	-
Material/Supplies	167665290	161418480	138693445
Others	44104784	37919158	34463208
<b>Total in ₹</b>	<b>211770074</b>	<b>199337638</b>	<b>173156653</b>

\*The details of amount outstanding to Micro , Small and Medium Enterprises based on available information with the company is as under:

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Principal amount due and remaining unpaid	-	-	-
Interest due on above and the unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

**Note : 21 Other Financial Liabilities**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Interest Accrued But Not Due on Borrowings	209195	411132	92206
Interest Accrued & Due on Borrowings	486311	363812	267829
*Unclaimed Dividend	882588	688038	570240
Sundry Creditors for Capital Expenditures	2797022	3335113	782367
<b>Total in ₹</b>	<b>4375116</b>	<b>4798095</b>	<b>1712642</b>

\*These figures do not include any amount due & outstanding, to be credited to Investors Education & Protection Fund.

**Note : 22 Other Current Liabilities**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Statutory Dues	1817543	1823931	1537031
Salary,Wages, Bonus & Allowances	14221847	14806457	11082346
Other Payables	315334	318427	99810
Customer Advances	3724413	137611	-
<b>Total in ₹</b>	<b>20079137</b>	<b>17086426</b>	<b>12719187</b>

**Note : 23 Provisions**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
(a) Provision for Employee Benefits*	-	451516	263311
(b) Provisions - Others			
- Others	7261566	13688675	16329948
<b>Total in ₹</b>	<b>7261566</b>	<b>14140191</b>	<b>16593259</b>

\*Refer Note No. 29.1(b)(i),(ii) and it includes LIC Leave Adjustment

**Note : 24 Current Tax Liabilities (Net)**

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
- Provision for Income Tax(Net of Advance Tax and TDS)	424260	-	439103
<b>Total in ₹</b>	<b>424260</b>	<b>-</b>	<b>439103</b>

**Note : 25 Revenue from Operations**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>a) Sale of Products</b>		
Finished Product (including excise duty)	1081498958	1022974626
	<b>1081498958</b>	<b>1022974626</b>
<b>b) Other Operating Revenue</b>		
Steel & Scrap Sale (including excise duty)	25883960	18663001
Duty Drawback & Other Export Incentives	32036974	22951201
	<b>57920934</b>	<b>41614202</b>
<b>Total in ₹</b>	<b>1139419892</b>	<b>1064588828</b>

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
(a) Details of Product sold		
High Tensile Fasteners	1081498958	1022974626
(b) Earning in foreign exchange		
Export of goods (FOB)	617402066	518741465



**MOHINDRA FASTENERS LIMITED**Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)**Note : 26 Other Income**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Interest on</b>		
-Fixed Deposits	2670290	2166005.00
-Other	60357	433155.00
Dividend Income on Long Term Investments	7880	6680.00
Exchange Rate Difference (Net)	7643650	9361261.93
Other Non Operating Income	5151058	3358703.59
<b>Total in ₹</b>	<b>15533235</b>	<b>15325806</b>

**Note : 27 Cost of Material Consumed**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Inventory at the Beginning of the Year</b>	<b>57817051</b>	<b>92416839</b>
Purchases	427740818	368477367
	<b>485557869</b>	<b>460894206</b>
<b>Inventory at the End of the Year</b>	69608353	57817051
<b>Total in ₹</b>	<b>415949516</b>	<b>403077155</b>

**Material Consumed Comprises:**

- Wire Rods	415949516	403077155
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**Note : 28 Change in Inventories of Finished Goods, Work in Progress & Stock in Trade**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Inventory at the Beginning of the Year</b>		
Work In progress	65043064	33206608
Finished Goods	63468611	61871117
Less: Excise Duty on finished goods	9354730	-
	<b>119156945</b>	<b>95077725</b>
<b>Inventory at the End of the Year</b>		
Work In progress	45443319	65043064
Finished Goods	60874432	63468611
	<b>106317751</b>	<b>128511675</b>
(Increase)/Decrease in Inventory	12839194	(33433950)

Note: Excise Duty on Increase in Inventory of Finished Goods amounting to (Rs. 2480162/-) for year ended 31<sup>st</sup> March, 2017 has been adjusted in Profit & Loss account in Note: 32 of Financial Statement and for the year ended 31<sup>st</sup> March, 2018. GST has been rolled out w.e.f 1<sup>st</sup> July, 2017 therefore excise duty on amounting to (Rs. 9354730/-) has been deducted from opening stock and closing stock is exclusive of excise duty and accordingly no change in excise duty, adjusted in Profit & Loss A/c. All the said treatment has no effect on Profit & Loss A/c.

**Note : 29 Employee Benefit Expense**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Salaries, Wages, Bonus & Allowances	189837246	174598129
Contribution to Provident Fund & Other Funds	5600222	5126209
Staff Welfare Expenses	4813366	4331653
<b>Total in ₹</b>	<b>200250834</b>	<b>184055991</b>

**Note:- 29.1**

- a. Employees benefit expenses including managerial remuneration Rs.5968500/-(P.Y.Rs. 5876760/-). The Managerial Remuneration has been paid in accordance with the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, of the Company Act, 2013.
- b. Employee Benefits- The company has classified the various benefits provided to employees as under :-
- Defined Contribution Plan: The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the regional provident fund Commissioner and the Company is required to contribute a specific percentage of payroll cost to the retirement schemes to fund the benefits.
  - Defined Benefit Plan: Gratuity Refer 29.1b(i) and Compensated absences 29.1b(ii)

**Note : 30 Finance Cost**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Interest Expenses	7165995	5876553
Other Borrowing Costs	8543617	6761352
<b>Total in ₹</b>	<b>15709612</b>	<b>12637905</b>

**Note : 31 Depreciation & Amortisation Expense**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Depreciation & Amortization	30059988	28351528
<b>Total in ₹</b>	<b>30059988</b>	<b>28351528</b>

# MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

## Note : 32 Other Expenses

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Consumption of Stores & Spare Parts	121664805	95906202
Increase/ (Decrease) in Excise Duty on Finished Goods	-	2480162
Power & Fuel Consumed	83033512	85300085
Factory Building Maintenance	1778780	3571419
Repair & Maintenance to Plant & Machinery	13665795	10478638
Insurance Expenses	1970284	2039084
Rates, Taxes & Duties	1969960	1981330
Job Work Expenses	59517678	49142510
Packing Material Consumed	25253984	22536103
Freight Outward	41698691	31794403
Rebate & Discount	2848915	7429771
(Profit) /Loss on Sale of Fixed Assets	-	874565
Payment to Auditors*	596408	554488
Corporate Social Responsibility Expenditure (Refer Note 44)	1405567	1363375
Factory Rent**	1660500	1620000
Miscellaneous Expenses	15570469	17619028
<b>Total in ₹</b>	<b>372635348</b>	<b>334691163</b>

### \*Note :- Payment to Auditors

	₹	₹
As Auditor	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
- Statutory Audit Fees	250000	250000
- Tax Audit Fees	50000	50000
- Internal Audit Fees	50000	50000
- Secretarial Audit Fees	50000	50000
- Cost Audit Fees	35000	35000
- For Certification Fees	50000	50000
- For Reimbursement of Expenses	111408	69488
<b>Total in ₹</b>	<b>596408</b>	<b>554488</b>

### \*\*Note:- The details of operating leases in compliance of Ind AS 17 are as under:-

The Company has taken factory premises at Rohtak. The Lease Agreement is valid till 31st December, 2022. Lease Rental amounting to Rs. 16,60,500/- (March 31st, 2017: Rs 16,20,000/-) has been debited to statement of profit and loss accounts.

Details of Leasing Agreement are enumerated under:-

Property taken on lease	" Factory Premises at Rohtak "
Date of termination of lease	31.12.2022
Escalation clause	Yes
Terms of Renewal	Yes
Purchase option	No

**29.1(b)(i) Gratuity**

Retirement benefit in the form of Gratuity Liability (being administered by Life Insurance Corporation of India) is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity.

figures in thousands

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Net employee benefit expense (recognized in Employee Cost)</b>			
Current Service cost	1,447	1,242	1132
Interest cost on benefit obligation (Net)	782	629	671
Expected return on plan assets	(807)	(674)	(756)
<b>Net benefit expense</b>	<b>1,422</b>	<b>1,197</b>	<b>1047</b>
<b>Recognised in Other Comprehensive Income (OCI)</b>			
<b>Actuarial (gain)/loss</b>	<b>5,514</b>	<b>487</b>	<b>(191)</b>
<b>Details of Provision for Gratuity</b>			
Defined benefit obligation	16,650	9,777	7856
Fair value of plan assets	(12,696)	(10,128)	(8389)
<b>Plan Liability (adjusted from operating revenue/retained earning)</b>	<b>3,954</b>	<b>(351)</b>	<b>(533)</b>
<b>Changes in present value of the defined benefit obligation are as follows:</b>			
Defined benefit obligation at the beginning of the year	9,777	7,856	8386
Interest cost	782	629	671
Current Service cost	1,447	1,242	1132
Benefits paid	(870)	(436)	(2142)
Actuarial loss / (gain) on obligation	5,514	487	(191)
<b>Defined benefit obligation at the year end</b>	<b>16,650</b>	<b>9,778</b>	<b>7856</b>
<b>Changes in the fair value of plan assets are as follows:</b>			
Fair value of plan assets at the beginning of the year	10,128	8,389	9565
Expected return	807	674	756
Contribution by employer	2,631	1,501	209
Benefits paid	(870)	(436)	(2141)
<b>Fair Value of Plan Assets at the year end</b>	<b>12,696</b>	<b>10,128</b>	<b>8389</b>
<b>Principal actuarial assumptions used :</b>			
Mortality table (LIC)	2006-08	2006-08	2006-08
Discount rate (per annum)	7.50%	8%	8%
Salary escalation rate	6%	6%	6%

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

### 29.1(b)(ii) Compensated absences

Compensated absences Liability (being administered by Life Insurance Corporation of India) is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

	₹	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Recognised in the Statement of Profit and Loss:</b>			
Current Service cost	575	516	466
Interest cost on benefit obligation	482	407	393
	<b>1,057</b>	<b>923</b>	<b>859</b>
<b>Recognised in Other Comprehensive Income (OCI)</b>			
Net actuarial (gain)/ loss recognised	1,780	255	(682)
	<b>1,780</b>	<b>255</b>	<b>(682)</b>
<b>Recognised in the Balance Sheet:</b>			
Defined benefit obligation	6,744	6,036	5089
Fair value of plan assets	(6,804)	(5,584)	(4,888)
	<b>(60)</b>	<b>452</b>	<b>201</b>
<b>Principal actuarial assumptions used :</b>	2006-08	2006-08	2006-08
Discount rate	7.50%	8%	8%
Salary escalation rate	6%	6%	6%

**Note : 33 Tax Expense**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Income tax recognised in Statement of Profit & Loss		
Current Tax	29000000	24100000
Deferred Tax	1739441	3117203
<b>Total income tax expenses recognised in the current year</b>	<b>30739441</b>	<b>27217203</b>

The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Profit before tax	91048239	78310701
Applicable Tax rate	33.063%	33.063%
Computed Tax Expense	30103279	25891867
<b>Tax effect of:</b>		
Exempted Income	(2605)	(2209)
Expenses Disallowed	1787865	1836640
Additional Allowance	(2888539)	(3626298)
<b>Current Tax Provision (A)</b>	<b>29000000</b>	<b>24100000</b>
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	1168496	3117203
Incremental Deferred Tax Liability on account of Financial Assets and Other Items	570945	-
<b>Deferred Tax Provision (B)</b>	<b>1739441</b>	<b>3117203</b>
Tax expense recognised in Statement of Profit and Loss (A+B)	30739441	27217203
Effective Tax rate	33.762%	34.755%

**Note : 34 Other Comprehensive Income (OCI)**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit	(5692273)	(742000)
Income Tax effect	(58841)	(84311)
Net (loss)/gain on equity securities	453320	687050
Income Tax effect	-	-
<b>Total in ₹</b>	<b>(5297794)</b>	<b>(139261)</b>

**MOHINDRA FASTENERS LIMITED****Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)****Note : 35 Earnings Per Equity Share**

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Nominal value of equity share	10	10
Profit attributable to equity shareholders (A)	60308798	51093498
Weighted average number of equity shares outstanding during the year (B)	5356800	5356800
<b>Basic earnings per equity share (A/B)</b>	<b>11.26</b>	<b>9.54</b>
Dilutive effect on profit (C)	-	-
Profit attributable to equity shareholders for computing (D)=(A)+(C)	60308798	51093498
Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
Weighted average number of equity shares for computing Diluted EPS (F)=(B)+(E)	5356800	5356800
<b>Diluted earnings per equity share (D/F)</b>	<b>11.26</b>	<b>9.54</b>
<b>Total in ₹</b>	<b>65665609</b>	<b>56450308</b>

**NOTE: 36 Contingent Liabilities and Commitments (to the extent not provided for):**

- Liabilities on account of foreign letter of credit are Rs. 291.43 Lacs (Previous year Rs. 56.65 Lacs).
- Outstanding Bank Guarantee of Rs. 6.87 Lacs (Previous year Rs. 6.87 Lacs) on account of re-export bond to the custom.
- The Company received Show Cause Notice (SCN) dated 03rd June, 2016 from the Ministry of Corporate Affairs, for the violation of Sections 211(3A) and 211(3C) with regard to Accounting Standards 1,2,9,12,18 & 26 and Section 217(2AA) of the Companies Act, 1956. The company filed detailed replies to the SCN vide dated 20th June, 2016 and also filed the compounding applications under section 621A of the companies Act, 1956 vide dated 26th July, 2016 and further correspondences made in 16th November, 2016. The adjudication thereof is pending from Honorable ROC and hence the possible consequences arising out of the same on the company are not presently ascertainable.

**NOTE: 37 Related party disclosure as per Ind AS 24****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

**ii) Relatives of Key Management Personnel**

Mr. Dheeraj Juneja	-	Son of Mr. Ravinder Mohan Juneja
Mr. Sudhir Arneja	-	Brother of Mr. Deepak Arneja



## Related Party Transactions:

(Amount in Rs.)

Nature of Transaction	Key Management Personnel & Relatives	Total
Remuneration	9860208	9860208
	(10586264)	(10586264)
Unsecured Loan	7500000	7500000
	(7500000)	(7500000)
<b>Balance outstanding as at the end of the year:</b>		
Remuneration Payable	844400	844400
	(978400)	(978400)
Unsecure Loan Payable	7500000	7500000
	(7500000)	(7500000)

## Disclosure in respect of Related Party Transactions during the year:

(Amount in Rs.)

Particulars	Relationship	2017-18	2016-17
<b>a) Payment to Key Managerial Personnel/Relatives</b>			
1. Deepak Arneja	Key Managerial Personnel	3087852	2750768
2. Ravinder Mohan Juneja	Key Managerial Personnel	2919852	2582768
3. Sudhir Arneja	Relative of Key Managerial Personnel	1874652	1707192
4. Dheeraj Juneja	Relative of Key Managerial Personnel	1977852	1796768
5. Prateek Arneja	Relative of Key Managerial Personnel	--	1748768
<b>b) Unsecured Loan</b>			
1. Deepak Arneja	Key Managerial Personnel	2500000	2500000
2. Ravinder Mohan Juneja	Key Managerial Personnel	2500000	2500000
3. Sudhir Arneja	Relative of Key Management Personnel	2500000	2500000

# MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

## NOTE: 38 Disclosure in respect of Derivative Instruments:-

- a) No Derivates Instruments (Forward Exchange Contract) outstanding as at 31st March, 2018.  
b) Foreign currency exposures that are not hedged by derivative instruments as at 31st March, 2018:-

Particulars	USD	EURO	GBP
<b>Import Trade Payables</b>	<b>647587.53</b> (444084.73)	<b>7174.58</b> (30326.88)	<b>-</b> (-)
<b>Export Trade Receivables</b>	<b>344113.15</b> (261995.69)	<b>958290.35</b> (933839.33)	<b>237117.54</b> (102647.97)
<b>Term Loan (Buyers Credit)</b>	<b>543257</b> (853218)	<b>-</b> (-)	<b>-</b> (-)
<b>Working Capital Loan</b> (Buyers Credit)	<b>305001.94</b> (333666.95)	<b>Nil</b> (Nil)	<b>Nil</b> (Nil)
<b>Working Capital Loan</b> <b>(PCFC)</b> (Including Interest)	<b>93300</b> (67400)	<b>1377020</b> (1597800)	<b>68200</b> (52100)

**NOTE: 39** 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	2017-18		2016-17	
	Value (Rs.)	% age	Value (Rs.)	% age
<b>Raw Material</b>				
Imported	78460178	18.86	70213333	17.42
Indigenous	337489338	81.14	332863822	82.58
	<b>415949515</b>	<b>100.00</b>	<b>403077155</b>	<b>100.00</b>
<b>Stores, Spare parts and Packing Material</b>				
Imported	10856814	7.39	10679740	9.02
Indigenous	136061975	92.61	107762565	90.98
	<b>146918789</b>	<b>100.00</b>	<b>118442305</b>	<b>100.00</b>

## NOTE: 40 C.I.F. Value of Imports

Particulars	₹	₹
	2017-18	2016-17
Plant & Machinery	-	72978229
Raw Material	79218801	61256999
Consumables, Stores & Spares	2900807	2759321
Packing Material	6636142	5155087
Tool & Dies	2643852	1619107

**NOTE: 41 Expenditure in Foreign Currency**

	₹	₹
Particulars	2017-18	2016-17
-Travelling Expenses	1292239	2460744
-Business Promotion & Advertisement	276201	824673
-Interest on Buyers Credit	1530018	900932
- Bank Charges	454556	414541
- Interest on PCFC	3730667	3795985
- Commission	1106313	660810

**NOTE: 42 Earning in Foreign Currency**

	₹	₹
Particulars	2017-18	2016-17
Exports at FOB Value	617402066	518741465

**NOTE: 43 Leases (Operating Lease)**

The Company has taken factory premises at Rohtak on lease. The Lease Agreement is valid till 31st December, 2022. Lease Rental amounting to Rs. 16,60,500/- (March 31st, 2017: Rs 16,20,000/-) has been debited to statement of profit and loss accounts.

The lease rentals charged during the period are as follows:

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Lease Rentals	1660500	1620000

The obligations on long term, non cancellable operating lease payable as per the rentals stated in the respective agreements are as follows:

	₹	₹
Future Minimum lease Payable	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Not later than 1 year	1782000	1660500
Later than 1 year but not later than 5 years	7413120	9195120
Later than 5years	Nil	Nil

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

#### NOTE: 44 Expenditure on Corporate Social Responsibility (CSR)

	₹	₹
Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
a) Gross amount required to be spent	14,05,567	13,63,375
b) Amount spent on:		
i) Construction/ acquisition of any asset		
ii) On purpose other than i) above		
a) Education	14,05,567	13,63,375
b) Healthcare	-	-
c) Mental Health Education	-	-
d) Protection of national heritage, art and culture including restoration of buildings and sited of historical importance and works of art	-	-

#### NOTE: 45 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets include loans, trade and other receivables, cash and short-term deposits that derive directly from its operations. The Company also holds short term investments.

The Company is exposed to financial risk in terms of market risk, credit risk, interest rates, foreign exchange rates, increase in commodity prices and liquidity risk. The Company's senior management oversees the management of these risks. Though the Company always remains cautious for such concerns, it always reviews its policy to check these concerns from time to time.

All operating divisions of the Company would identify the 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.

The Senior Management reviews each of these risks, which are summarised below.

##### a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

##### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including, foreign exchange transactions and other financial instruments.

The Company enters into long term contracts with its regular customers thereby eliminating uncertainties also mitigates the risk exposure on high risk customers and avoids any such contracts with them. Further, none of the customers' form more than 10%-15% of the total company's revenues as the Company makes a continuous effort in expanding its customer base. Outstanding customer receivables are regularly monitored and reviewed by the Senior Management periodically. At 31<sup>st</sup> March, 2018, the top 10 customers accounted for approximately 52% (approx.) of all the receivables outstanding. At 31<sup>st</sup> March, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 31<sup>st</sup> March analyzed by the length of time past due, are:

(Rs. in Lacs)

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>More than 180 days</b>	155.89	203.35
<b>Not More than 180 days</b>	2089.81	1824.87

**c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. At 31<sup>st</sup> March, 2018, approximately 30% of the Company's borrowings are at a fixed rate of interest.

**d) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's borrowings in foreign currency. (Refer Note No. 38 to Ind AS Financial Statement)

**e) Equity price risk**

The Company's investments are in listed and unlisted equity securities. All the investments in the equity portfolio are reviewed and approved by the Board of Directors.

At the reporting date, the exposure to listed equity securities at fair value was Rs.16.68 Lacs (31<sup>st</sup> March, 2017: Rs. 12.15 Lacs)

**f) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made by way of fixed deposits with scheduled banks within the limits assigned by the Senior Management.

**g) Liquidity risk**

The Company's objective is to maintain a current ratio of 1.25 with an optimal mix of short term loans and long term loans. Approximately 32% of the Company's long term debt will mature in less than one year as at 31<sup>st</sup> March, 2018 based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. RBI has recently discontinued the practice of issuance of LoU's/LoC's for Trade Credits for imports into India with immediate effect i.e. 13.03.2018, which affects to the company in short to medium term. The Board of Directors periodically reviews the Company's business requirements vis-a-vis the source of funding.

The table below summaries the maturity profile of the Company's financial liabilities:

(Rs. in Lacs)

<b>Year ended 31<sup>st</sup> March, 2018</b>	<b>Less than 180 days</b>	<b>More than 180 days</b>
Interest-bearing borrowing	199.78	337.38
Other financial liabilities	-	100.00
Trade Payables	1579.85	96.80

<b>Year ended 31<sup>st</sup> March, 2017</b>	<b>Less than 180 days</b>	<b>More than 180 days</b>
Interest-bearing borrowing	224.20	536.58
Other financial liabilities	-	100.00
Trade Payables	1540.08	74.10

**NOTE: 46** Previous year's figures have been regrouped, reclassified &/ rearranged wherever necessary to correspond with the current year classification/disclosure. This adoption does not impact recognition and measurement principles followed for preparation of financial statements as at 31<sup>st</sup> March, 2018.

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statement for the Year ended 31<sup>st</sup> March, 2018 (Contd.)

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#### **NOTE: 47 First time adoption of IND AS**

The Company has prepared financial statements which comply with Ind AS applicable for period ending 31<sup>st</sup> March 2018, together with the comparative period data as at and for the year ended 31<sup>st</sup> March 2017. This note explains the principal adjustments made by the Company in restating its IGAAP statement of financial position as at 1<sup>st</sup> April 2016 and its previously published IGAAP financial statements as at and for the year ended 31<sup>st</sup> March 2017.

#### **First time adoption exemptions applied**

Upon transition, IND AS 101 permits certain exemptions from full retrospective application of IND AS. The Company has applied the mandatory exemptions and certain optional exemptions, as set out below:

##### **(a) Mandatory exceptions adopted by the Company:**

###### **(i) De-recognition of financial assets and liabilities**

The de-recognition criteria of Ind AS 109 Financial Instruments has been applied prospectively for transactions occurring on or after the date of transition to Ind AS. Non-derivative financial assets and non-derivative financial liabilities derecognized before the date of transition under previous GAAP are not recognized on the opening Ind AS balance sheet.

###### **(ii) Estimates**

The estimates made by the Company under Indian GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.

##### **(b) Non-mandatory exceptions adopted by the Company:**

###### **(i) Property, Plant and Equipment**

The Company has elected to use carrying value under IGAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipments.

###### **(ii) Leases**

The Company has elected to use facts and circumstances existing at the date of transition to determine whether an arrangement constitutes a lease.

**47A Reconciliation of equity**
**a) Reconciliation of equity as at 01st April 2016 (date of transition to Ind AS)**

Particulars	Foot Note	IGAAP*	Adjustment	Ind AS
<b>I. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(i) Property Plant & Equipments		225397991		225397991
(ii) Capital Work in Progress		46205489		46205489
(iii) Intangible Assets		1659452		1659452
(iv) Financial Assets				
(a) Investments	i	137617	390403	528020
(b) Others		9862235		9862235
(v) Other Non Current Assets		4048835		4048835
<b>(2) Current Assets</b>				
(i) Inventories		249849931		249849931
(ii) Financial Assets				
(a) Trade Receivables		201705832		201705832
(b) Cash and Cash Equivalents		19270459		19270459
(c) Bank Balance other than mentioned in Cash and Cash Equivalents		570240		570240
(d) Loans		1009831		1009831
(e) Others		703036		703036
(iii) Other Current Assets		36617185		36617185
<b>Total (Assets)</b>		<b>797038133</b>	<b>390403</b>	<b>797428536</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(i) Equity Share Capital		53568000		53568000
(ii) Other Equity	iv	295323181	13059550	308382731
<b>(2) Non-Current Liabilities</b>				
(i) Financial Liabilities				
(a) Borrowings		3238429		3238429
(ii) Deferred Tax Liability (Net)	ii	29617520	225490	29843010
<b>(3) Current Liabilities</b>				
(i) Financial Liabilities				
(a) Borrowings		197775522		197775522
(b) Trade Payables		173156653		173156653
(c) Other Financial Liabilities		1712642		1712642
(ii) Other Current Liabilities		12719187		12719187
(iii) Provisions	iv	29487896	(12894637)	16593259
(iv) Current Tax Liabilities (Net)		439103		439103
<b>Total (Equity &amp; Liabilities)</b>		<b>797038133</b>	<b>390403</b>	<b>797428536</b>

\* The IGAAP figures have been classified to confirm to Ind AS presentation requirements for the purpose of this note.



# MOHINDRA FASTENERS LIMITED

## Reconciliation of equity

### Reconciliation of equity

#### b) Reconciliation of equity as at 31<sup>st</sup> March 2017

Particulars	Foot Note	IGAAP*	Adjustment	Ind AS
<b>I. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(i) Property Plant & Equipments		267543874		267543874
(ii) Capital Work in Progress		86535802		86535802
(iii) Intangible Assets		1465565		1465565
(iv) Financial Assets				
(a) Investments	i	127618	1087452	1215070
(b) Others		9917035		9917035
(v) Other Non Current Assets		3866779		3866779
<b>(2) Current Assets</b>				
(i)Inventories		258130226		258130226
(ii)Financial Assets				
(a)Trade Receivables		202822738		202822738
(b)Cash and Cash Equivalents		29299460		29299460
(c)Bank Balance other than mentioned in Cash and Cash Equivalents		688038		688038
(d)Loans		1709780		1709780
(e)Others		644555		644555
(iii) Current Tax Assets (Net)		1942557		1942557
(iv) Other Current Assets		53295029		53295029
<b>Total (Assets)</b>		<b>917989056</b>	<b>1087452</b>	<b>919076508</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1)Equity</b>				
(i) Equity Share Capital		53568000		53568000
(ii) Other Equity	iv	331057424	15452741	346510165
<b>(2) Non-Current Liabilities</b>				
(i) Financial Liabilities				
(a) Borrowings		63657928		63657928
(ii) Provisions				
(iii) Deferred Tax Liability (Net)	ii	32734723	141178	32875901
<b>(3) Current Liabilities</b>				
(i) Financial Liabilities				
(a) Borrowings		187102164		187102164
(b) Trade Payables		199337638		199337638
(c) Other Financial Liabilities		4798095		4798095
(ii) Other Current Liabilities		17086426		17086426
(iii) Provisions	iv	28646658	(14506467)	14140191
(iv) Current Tax Liabilities (Net)		-		-
<b>Total (Equity &amp; Liabilities)</b>		<b>917989056</b>	<b>1087452</b>	<b>919076508</b>

\* The IGAAP figures have been classified to confirm to Ind AS presentation requirements for the purpose of this note.

**Reconciliation of Profit**
**c) Reconciliation of Profit and Loss for the year ended 31<sup>st</sup> March, 2017**

Particulars	Foot Note	IGAAP*	Adjustment	Ind AS
<b>Continuing Operations</b>				
Revenue from operations	v	992364687	72224141	1064588828
Other Income		15325806		15325806
<b>Total Revenue</b>		<b>1007690493</b>	<b>72224141</b>	<b>1079914634</b>
<b>Expenses:</b>				
Cost of Materials Consumed		403077155		403077155
Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade		(33433950)		(33433950)
Excise Duty on sale of goods	v	-	72224141	72224141
Employee Benefits Expense	iv	184797991	(742000)	184055991
Finance Costs		12637905		12637905
Depreciation and Amortization Expense		28351528		28351528
Other Expenses		334691163		334691163
<b>Total Expenses</b>		<b>930121792</b>	<b>71482141</b>	<b>1001603933</b>
<b>Profit before exceptional and tax</b>		<b>77568701</b>	<b>742000</b>	<b>78310701</b>
Exceptional items	i	10000	(10000)	-
<b>Profit before tax</b>		<b>77558701</b>	<b>752000</b>	<b>78310701</b>
<b>Tax expense:</b>				
Current Tax		24100000		24100000
Deferred Tax Liability/(Assets)		3117203		3117203
<b>Profit for the year</b>		<b>50341498</b>	<b>752000</b>	<b>51093498</b>
<b>Other comprehensive income</b>				
(i) Items that will not be reclassified to profit or loss				
(a) Re-measurement gains/(losses) on defined benefit plans	iv	-	(742000)	(742000)
(b) Income tax effect on above	ii	-	(84311)	(84311)
(c) Fair value gains/(losses) on Equity Instruments	i	-	687050	687050
(ii) Items that will be reclassified to profit or loss				
- Income tax relating to items that will be reclassified to profit or loss		-	-	-
<b>Total comprehensive income for the year</b>		<b>50341498</b>	<b>612739</b>	<b>50954237</b>
(Comprising Profit and Other Comprehensive Income for the year)				

\* The IGAAP figures have been classified to conform to Ind AS presentation requirements for the purpose of this note

## MOHINDRA FASTENERS LIMITED

### Reconciliation of Profit (Contd.)

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#### (d) Impact of Ind AS adoption on the financial statements

##### Footnotes to the reconciliations

##### i) Investments

The Company has been accounting for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments under IGAAP. Under Ind AS, the Company has designated such investments as Fair value through Other Comprehensive Income investments and hence measured at fair value. At the date of transition to Ind AS, difference between the instrument's fair value and IGAAP carrying amount to the tune of Rs. 3,90,403 has been recognised as a separate component of equity, in the Accumulated Other Comprehensive Income. Also for the year ended 31st March 2017, the Company has fair valued the quoted and unquoted investments resulting in a gain of Rs.10,87,453.

##### ii) Deferred taxes

The Company has been accounting for the deferred taxes using income statement approach under IGAAP, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

##### iii) Provisions

The proposed dividend and corresponding tax, to the tune of Rs.1,28,94,637, recognised during the year ended 31st March 2016 was declared in 2016- 2017 and for year ended 31st March 2017 proposed dividend and corresponding tax, to the tune of Rs. 1,45,06,467 was declared in 2017-18. Hence the same has been reversed as at the transition date and accounted in the year in which it was declared as per the requirements of Ind AS.

##### iv) Defined benefit obligation

Both under IGAAP and Ind AS, the Company has recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

##### v) Excise duty

Under IGAAP, revenue from sale of products has been presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. There is no impact on the total equity and profit.

As per our Report of even date

For B. L. Khandelwal & Co.

Chartered Accountants

FRN: 000998N

For & on Behalf of the Board of Directors

B. L. Khandelwal  
(Partner)  
Membership No.: F-12331

Sunil Mishra  
(Chief Financial Officer)

Ravinder Mohan Juneja  
(Managing Director)  
DIN : 00006496

Deepak Arneja  
(Chairman cum  
Managing Director & CEO)  
DIN : 00006112

Place : New Delhi  
Date : 29/05/2018

Nidhi Pathak  
(Company Secretary)

# **Mohindra Fasteners Limited**

304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, New Delhi-110087