

# 25<sup>TH</sup>

## ANNUAL REPORT

FOR THE YEAR ENDED

31<sup>ST</sup> March, 2019



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)

### 25<sup>TH</sup> (TWENTY FIFTH) ANNUAL GENERAL MEETING

<b>Date &amp; Day of AGM</b>	21 <sup>st</sup> day of September, 2019 (Saturday)
<b>Time of Meeting</b>	11:30 A.M.
<b>Venue of Meeting</b>	Le Pacific Outdoor Catering Banquet 31/35, Main Rohtak Road, Punjabi Bagh West, Opp. Metro Pillar No 142, New Delhi 110026
<b>Book Closure Dates</b>	Sunday, September 15, 2019 to Saturday, September 21, 2019 (Both days inclusive)
<b>Instructions To The Member</b>	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.

<b>CONTENTS</b>	
The MFL's Board of Directors	3
Corporate Information-MFL	4
Message from the Chairman	5
Route Map for AGM Venue	6
Notice of 25th Annual General Meeting	7-19
Board of Directors' Report	20-31
Corporate Governance Report	32-53
<b>Annexure to the Board's Report:-</b>	
Extract of Annual Return: MGT-9 (Annexure I)	54-63
Particulars of Employees (Annexure II)	64-66
Declaration of Independence by Independent Directors (Annexure III)	67-74
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
<b>Annexure to the Corporate Governance Report :-</b>	
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
Certificate from Practising Company Secretary on Non-Disqualification of Directors (Annexure "D")	96
Independent Auditor's Report	97-106
Financial Statements	107-111
Notes to the Financial Statements	112-142



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### 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 Chaudhry
Non – Executive & Independent Director	Mrs. Shamoli Thakur

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

<b>CORPORATE INFORMATION</b>	
<b>Director – Operations</b>	Mr. Sudhir Arneja
<b>Director – Operations</b>	Mr. Anurag Arneja
<b>General Manager – SCM</b>	Mr. Dheeraj Juneja
<b>General Manager – Sales &amp; Marketing</b>	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 Accountants</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, 1st Floor, Okhla Industrial Area, Phase – 1, New Delhi – 110020, Tel:- 011-40450193 - 97, Email Id:- admin@skylinerta.com
<b>Company’s Banker</b>	The Karnataka Bank Limited 11/14, West Patel Nagar, New Delhi – 110008
<b>Work Place :-</b>	
<b>Registered office</b>	304, Gupta Arcade, Inder Enclave, Delhi – Rohtak Road, New Delhi - 110087 Tel: 011-46200400, E-mail 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 – 110087 Tel: 011-46200400, E-mail Id: <a href="mailto:cs@mohindra.asis">cs@mohindra.asis</a>
<b>Manufacturing Units</b>	<ul style="list-style-type: none"> <li>• <b>Plant I</b> - 60<sup>th</sup> K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &amp; P.O. Kharawar, District Rohtak, Haryana-124001.</li> <li>• <b>Plant II</b> - 60<sup>th</sup> K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &amp; P.O. Gandhra, District Rohtak, Haryana-124001.</li> <li>• <b>Plant IV</b> - 70<sup>th</sup> K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &amp; P.O. Kharawar, District Rohtak, Haryana-124001</li> </ul>

## CHAIRMAN'S MESSAGE



**Deepak Arneja**

Chairman Cum  
Managing Director & CEO

### *Dear Shareholders,*

I write this letter with a sense of pride to inform you as to how well your Company performed this year, not just in financial terms, but also in terms of what we accomplished for customers, employees, shareholders and other stakeholders.

It gives me great pleasure to talk about the year gone by. Our growth story remains intact and we have further strengthened our competitive position and continue to remain the preferred supplier for high tensile fasteners. I am delighted to report that many strategic initiatives are finally paying rich dividends and have helped us and will continue to help us grow profitably. I believe that improvement is a never-ending process and we will continue to offer our customers best products, innovative technologies, faster delivery times and prompt after sales service. I am confident that we can continue our growth journey in the coming years.

India is entering an era of great opportunities. With a new government in place with an improved majority and visionary leadership, the country is potentially on the threshold of second generation big ticket reforms and innovative policies aimed at enabling businesses to grow.

India is expected to remain the world's fastest growing large economy in 2019-20, with a GDP growth rate of 7.3% (source: IMF). Moderate oil prices, softening interest rates and expected structural policy reforms will further strengthen our economy. The Indian economy remains

well placed to achieve robust growth on the back of a stable government, favourable policies, lower inflation rates and increasing government spending on infrastructure and the rural sectors. However, trade uncertainty, global economic slowdown and volatile market conditions may pose a challenge. Unfortunately the manufacturing and automotive sectors are witnessing an unpredicted slowdown since the Q3 of 2018-19.

The global industrial fasteners market is expected to reach a value of INR 7,706 Billion by 2023, expanding at a CAGR of 6.5% from 2018 (Source: ResearchAndMarkets.com). Rising demand for fasteners in the automotive industry, coupled with an increase in construction and manufacturing spending in emerging countries like China, Brazil, Saudi Arabia, Australia, Indonesia and India, is expected to drive the demand for industrial fasteners during the forecast period.

The Indian industrial fasteners market is segmented on the basis of application, product type and the organization of the market. The Indian automotive sector is expected to be the largest consumer of industrial fasteners; it is followed by the construction and the engineering sector.

In this challenging business environment, your Company delivered a balanced performance. The Company has earned a profit (PBT) of **Rs. 1203.36 Lakhs** on a total Revenue from operations of **Rs. 134,83.37 Lakhs**. Both have grown up by **over 32.17%** and **over 18.33%** as compared to last financial year 2017-18. This was only due to a well diversified customers and product portfolio that we work with and that diversification has always helped the Company.

In keeping with our tradition of directing surplus cash to shareholders, the Board has recommended a final dividend at the rate of Rs. 3.00 per fully paid up equity shares, for the financial year 2018-19. The same shall be paid subject to the approval of shareholders at the ensuing Annual General Meeting.

ICRA Limited has issued '[ICRA] BBB(Stable) (pronounced as ICRA triple B) rating to the company for the Rs. 19.00 Crores Long Term Bank facilities and [ICRA] A3+ (pronounced as ICRA A three plus) for the Rs. 20.00 Crores for the Short Term Bank facilities i.e. these ratings are considered to have moderate degree of safety regarding timely servicing of financial obligations.

Your company has nil debt outgo i.e. it means Zero Debt. 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 (our employees), support of our stakeholders & the trust reposed by the Board of Directors.**

### **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.

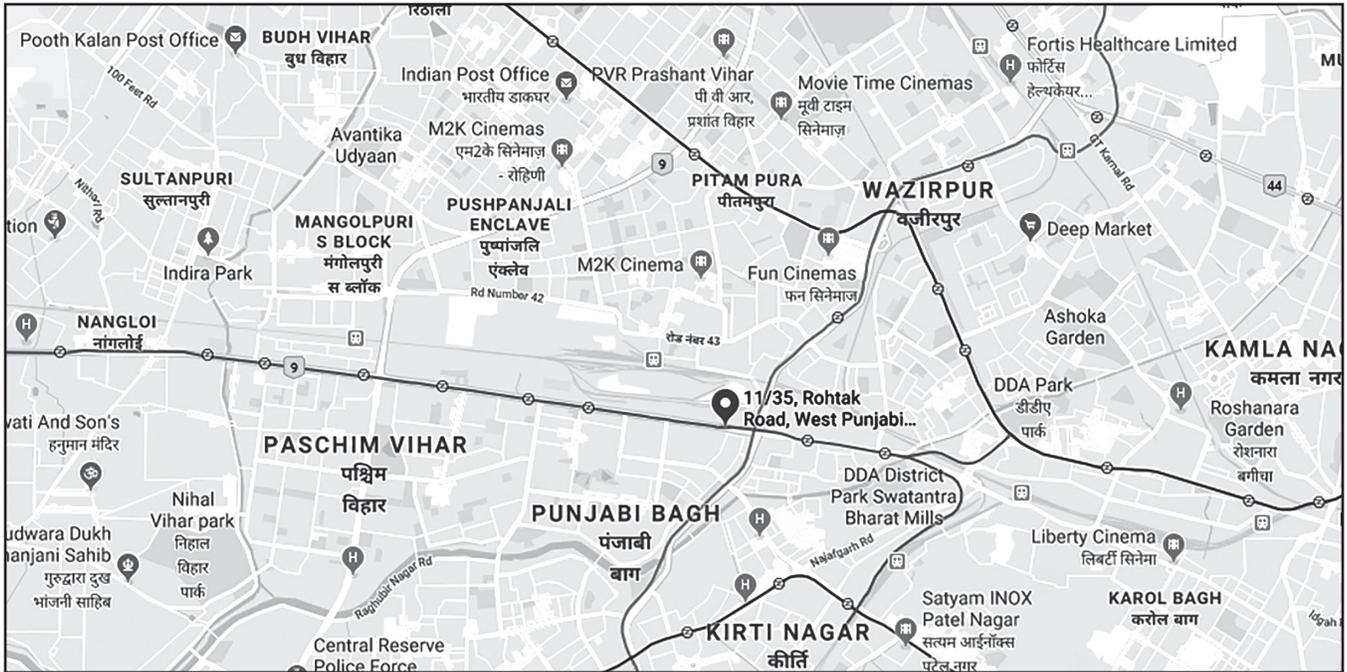
On behalf of the fellow Directors and MFL Family, I would like to thank all shareholders, employees customers and business associates, for their valuable support and look forward to continued encouragement and support in MFL's progress.

Warm Regards,  
**Deepak Arneja**  
Chairman

## ROUTE MAP TO THE VENUE OF THE AGM

### VENUE:

Le Pacific Outdoor Catering Banquet  
31/35, Main Rohtak Road, Punjabi Bagh West  
Opp. Metro Pillar No 142, New Delhi 110026, India



## NOTICE

NOTICE is hereby given that the 25<sup>th</sup> (Twenty Fifth) Annual General Meeting of the Members of MOHINDRA FASTENERS LIMITED will be held on Saturday, the 21<sup>st</sup> September, 2019 at 11.30 A.M. at Le Pacific Outdoor Catering Banquet at 31/35, Main Rohtak Road, Punjabi Bagh West, Opp. Metro Pillar No 142, New Delhi 110026 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, 2019, the Reports of the Auditors and Board of Directors thereon. Consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:  
“**RESOLVED THAT** the Audited Financial Statements for the year ended March 31, 2019 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 31<sup>st</sup> March, 2019. Consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:  
“**RESOLVED THAT** a final dividend of Rs. 3.00 per Equity Share (30%) on fully paid up equity shares, as recommended by the Board of Directors for the year ended as on 31<sup>st</sup> Day of March, 2019 be and are hereby approved and declared.”
3. To appoint a Director in place of Mr. Gagandeep Singh Narang (DIN: 00179636), who retires by rotation and being eligible, offers himself for re-appointment. Consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:  
“**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Gagandeep Singh Narang (DIN: 00179636), 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.”

### SPECIAL BUSINESS

4. To approve the remuneration of Cost Auditor for the financial year ending 31<sup>st</sup> March, 2020. Consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:  
“**RESOLVED THAT** pursuant to the provisions of Section 148 and the other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment 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 the cost records of the Company for the financial year ending March 31, 2020, be paid the remuneration as detailed in the Explanatory Statement annexed to this Notice.  
**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.”
5. To approve the re-appointment of Mr. Vinod Kumar (DIN: 02303504) as an Independent Director of the Company. Consider and if thought fit, to pass, the following resolution as SPECIAL 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, as amended from time to time, Mr. Vinod Kumar (DIN-02303504), who was appointed as an Independent Director at the 20th Annual General Meeting of the Company and who holds office up to September 24, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI

Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) years commencing with effect from September 25, 2019 to September 24, 2024 be and is hereby approved.”

**By Order of the Board**

**Place: New Delhi**

**Dated: 06<sup>th</sup> August, 2019**

**(Deepak Arneja)**

**DIN: 00006112**

**Chairman Cum Managing Director & CEO**

## MOHINDRA FASTENERS LIMITED

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### NOTES:

1. M/s. B.L. Khandelwal & Co., Chartered Accountants (ICAI Firm Registration No: 000998N), were appointed as Statutory Auditors of the Company at the 23<sup>rd</sup> Annual General Meeting held on September 28, 2017 for a period of 5 years to hold office till the conclusion of 28th Annual General Meeting of the Company subject to ratification of their appointment by the members at every intermittent AGM of the Company. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018, the mandatory requirement for ratification of the appointment of Statutory Auditors by the Members at every Annual General Meeting (“AGM”) is no longer required. Therefore the company has confirmed their appointment for the rest of their tenure at its previous 24th Annual General Meeting and hence the Company is not proposing an item on ratification of the appointment of Statutory Auditors at this 25th Annual General Meeting of the Company.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF / ITSELF AND THE PROXY NEED NOT BE A MEMBER.**

Proxy form has been provided in the Annual Report.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or member.

The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy does not have the right to speak at the Meeting and can vote on a poll.

3. 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 them to attend and vote on their behalf at the meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), setting out the material facts concerning the business to be transacted at the Annual General Meeting (“AGM”) is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed..
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Sunday, September 15, 2019 to Saturday, September 21, 2019 (both days inclusive)** for the purpose of payment of final dividend for the financial year ended on 31st March, 2019 and for this Annual General Meeting (AGM).
6. In compliance of SEBI requirements, Skyline Financial Services Private Limited has been appointed the Registrar and Share Transfer Agent of the Company, who handle share transfer related work in Physical as well as in Electronic Form and other related activities at the following address:

Skyline Financial Services Private Limited

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

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

Phone: 011 - 40450193

M/s Skyline Financial Services Private Limited is also the depository interface of the Company with both NSDL and CDSL. Members are requested to quote their name, folio number, DP ID/Client ID and the Company’s name in all correspondence with M/s Skyline Financial Services Private Limited and with company.

7. 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.

8. The SEBI Listing Regulations has mandated that for making dividend payments, companies shall use electronic clearing services (local, regional or national), direct credit, Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT) etc. The Company and the RTA are required to seek relevant bank details of the shareholders from depositories/ investors for making payment of dividend in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective Depository Participants for the shares held in dematerialised form and with the RTA in respect of shares held in physical form.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Skyline Financial Services Private Limited in case the shares are held in physical form.
10. 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.
11. 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 it's RTA M/s. Skyline Financial Services Private Limited, Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
12. Members, who are holding shares in the identical order of names in more than one folio, are requested to write to the Company, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. Members seeking any information with regard to the Financial Statements, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by Member holding shares in:
  - a) Demat form to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts and
  - b) Physical form to submit copies of PAN of all shareholders and an original cancelled cheque of first shareholder along with copy of Pass Book or Bank Statements to the RTA.
15. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent, M/s Skyline Financial Services Private Limited for assistance in this regard.
16. The equity shares of the Company have been notified for compulsory trading in demat form by all investors and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders are requested to avail this facility and get their shareholding converted into dematerialized form by sending the Dematerialization Request Form (DRF) along with the share certificates to their Depository Participant (DP) under ISIN: **INE705H01011** of the company.
17. Pursuant to Regulation 36 of the SEBI (LODR) Regulations, 2015 and Sections 20, 101 and 136 of the Companies Act, 2013, the physical copy of Annual Report and notice of 25th AGM inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form are being sent through registered post to all the shareholders of the company at their registered addresses and the electronic copy of the same are

## MOHINDRA FASTENERS LIMITED

being sent to the members whose email addresses are registered with the Company/Depository Participant(s). Members may note that the Notice and Annual Report 2018-19 will also be available on the Company's website [http://mohindra.asia/mfl/annual\\_report.html](http://mohindra.asia/mfl/annual_report.html) and on the website of NSDL <https://www.evoting.nsdl.com>.

18. 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.
19. Relevant documents referred to in the Annual Report including AGM Notice along with Explanatory Statement and Statutory registers are open for inspection by the Members at the Registered Office of the Company on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.
20. The company has fixed **Saturday, September 14, 2019** as the 'Record Date' for determining eligibility for payment of dividend, if declared at the meeting.
21. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend 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 on the 'record date' i.e. **Saturday, September 14, 2019**.
  - b) To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as on the 'record date' i.e. **Saturday, September 14, 2019**.
22. The route map showing directions to reach the venue of the twenty-fifth AGM is annexed.
23. Members are requested to note that, Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends if not encashed or claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

Accordingly, unpaid/unclaimed dividend for the Financial Year 2011-12 and their corresponding shares in respect of which dividend has not been claimed from the last 7 (seven) consecutive years are due to be transfer to the IEPF fund with in thirty (30) from its due date i.e. **21<sup>st</sup> October, 2019**. No claim shall lie thereafter against the company in respect of such amounts and shares. Shareholders are therefore requested to verify their records and send claims if any, for the relevant year(s) for FY 2011-12 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, 2019
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	73,280.00
2013-14	1.80	25/09/2014	29/10/2021	30/10/2021	90,360.00
2014-15	2.00	30/09/2015	03/11/2022	04/11/2022	1,82,602.00
2015-16	2.00	30/09/2016	29/10/2023	30/10/2023	1,46,416.00
2016-17	2.25	28/09/2017	29/10/2024	30/10/2024	2,66,649.75
2017-18	2.50	28/09/2018	30/10/2025	31/10/2025	2,67,282.50

Those members who have not so far claimed their dividend for the financial year 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 2016-17 & 2017-18 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

contact to Secretarial & Legal Department of the Company by writing a Request Letter to Company Secretary at Registered office: 304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, Delhi-110087 Email ID: [cs@mohindra.asia](mailto:cs@mohindra.asia) or may contact to our Registrar & Share Transfer Agent (i.e. M/s. Skyline Financial Services Private Limited), on or before the due dates as mentioned above.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website [www.mohindra.asia](http://www.mohindra.asia).

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.

In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

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. (i) This Notice is being sent to all the members whose name appears as **on Friday, August 16, 2019** ("Benpose Date") 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, August 16, 2019** ("Benpose 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.

## 26. 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.

## 27. VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 25th Annual General Meeting by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the annual general meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.

### 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.nsd.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.nsd.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.nsd.com](http://www.evoting.nsd.com).
  - b. “[Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.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.
4. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
5. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

## IV. Remote E-voting Period

The Remote E-voting period commences from **Monday, September 16, 2019 (9:00 A.M.) till Friday, September 20, 2019 (5:00 P.M.)**. Members of the Company, holding shares either in physical form or in dematerialized form, as on **cut-off date (record date) i.e. Saturday, September 14, 2019**, 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 (record date) i.e. Saturday, September 14, 2019, 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.

## MOHINDRA FASTENERS LIMITED

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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 shall make & submit on or before **Monday, September 23, 2019**, 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

Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e., **September 21, 2019**. The Results of voting (Remote E-voting and the voting at the AGM) on the resolutions will be declared on **Tuesday September 24, 2019** by the Chairman or any person authorized by him for this purpose. The results 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), on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and on the notice board of the Company at its registered office immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchange '**Metropolitan Stock Exchange Limited (MSEI)**, Mumbai.

### 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: 06<sup>th</sup> August, 2019**

**(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. 4 & 5 OF THE ACCOMPANYING NOTICE:**

**ITEM NO. 4:**

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 31<sup>st</sup> March, 2020 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. 4 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2020.

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. 4 as an Ordinary Resolution.

**ITEM NO. 5:**

Based on the recommendation of Nomination and Remuneration Committee and performance evaluation, the Board of Directors proposes the re-appointment of Mr. Vinod Kumar (DIN-02303504) as Independent Director, for a second term of 5 (five) years from September 25, 2019 to September 24, 2024, not liable to retire by rotation. Mr. Vinod Kumar was appointed as Independent Director at the 20<sup>th</sup> Annual General Meeting (“AGM”) of the Company and holds office up to September 24, 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that in view of his enriched experience, expertise and deep business acumen vis-à-vis his extensive involvement in the deliberations of the meetings of the committees of directors and Board of the Company, his continued association as Independent Director would be benefit to the company and stakeholders and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.

Information as required under SEBI (LODR) Regulation, 2015 and Secretarial Standards on General Meetings, issued by the Institute of Companies Secretaries of India, is given in Annexure to the Notice of AGM.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the reappointment of Mr. Vinod Kumar as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 5 of this Notice for approval of the Members.

## **MOHINDRA FASTENERS LIMITED**

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Except Mr. Vinod Kumar and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in the Resolution set out at Item No. 5 of the Notice.

**By Order of the Board**

**Place: New Delhi**

**Dated: 06<sup>th</sup> August, 2019**

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

**RELEVANT DETAILS FOR ITEM NO. 3 & 5**

**PARTICULARS 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. Gagandeep Singh Narang (DIN: 00179636)
Date of Birth	26 <sup>th</sup> November, 1981
Date of appointment (Original)	15 <sup>th</sup> February, 2016
Nature of his expertise in specific functional areas	He has immense years of experience in Real Estate, Transport and Hospitality Industry
Other Directorships	PUBLIC COMPANIES • Nil PRIVATE COMPANIES • Nipman Impex Private Limited • Nikunj Netweb Solutions Private Limited
Memberships/Chairmanship of committees of other Boards	Nil
Number of Board meetings attended	Given in corporate governance report
Remuneration (including sitting fees and commission)	Given in corporate governance report
No. of shares held in the Company	65300 Equity Shares
% Shareholding in the company	1.22

Additional Information on director recommended for re-appointment as required

Name	Mr. Gagandeep Singh Narang
Fathers Name	Mr. Jatinder Pal Singh Narang
Qualification	He had completed his graduation (B.Com) from Delhi University and done his BBA from University of Bradford U.K. He has Diploma in Financial Management in the year 2003.
Age	38 Years
Residential Address	A- 135, New Friends Colony, New Delhi 110065
Business Experience	Has more than 13 years of experience in holding responsible positions including directorship in various Companies. He has more than 13 years of Experience in Real Estate Industry. He is also having good experience in Transport and Hospitality Industry. He is specialized in leasing built to suit spaces to IT/ITES companies. His business acumen, leadership quality, financial and management expertise/techniques have benefited the organizations significantly wherever he served.
Relation with other Directors, Manager and other Key Managerial Personnel of the Company.	None

## MOHINDRA FASTENERS LIMITED

### II. Brief Resume and other details for ITEM No. 5

Name of Director	Mr. Vinod Kumar (DIN: 02303504)
Date of Birth	04th November, 1964
Date of appointment (Original)	21 <sup>st</sup> December, 2013
Nature of his expertise in specific functional areas	He has immense years of experience in Publication & Marketing Field
Other Directorships	PUBLIC COMPANIES • Mohindra Advisory Limited PRIVATE COMPANIES • Soni Publications Private Limited • Sumu Financial Services Private Limited
Memberships/Chairmanship of committees of other Boards	Nil
Number of Board meetings attended	Given in corporate governance report
Remuneration (including sitting fees and commission)	Given in corporate governance report
No. of shares held in the Company	2000
% Shareholding in the company	0.04

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

Name	Mr. Vinod Kumar
Fathers Name	Lt. Mr. Madan Lal
Qualification	Graduate
Age	54 Years
Residential Address	11096, Dori Walan, Karol Bagh, New Delhi-110005
Experience	Has 25 years of experience in printing Industry and holding reputed position in the same. His business acumen, leadership quality, financial and management expertise/techniques have benefited the organization significantly wherever he served.
Relation with other Directors, Manager and other Key Managerial Personnel of the Company.	None

By Order of the Board

Place: New Delhi  
Dated: 06<sup>th</sup> August, 2019

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

## DIRECTORS' REPORT

To,

**The Members of Mohindra Fasteners Limited**

Your Directors are pleased to present their **25<sup>th</sup> (Twenty Fifth)** Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended March 31, 2019.

### **FINANCIAL RESULTS**

The highlights of the Financial Results are as under:

(₹ in Lakhs)

PARTICULARS	Year ended 2018-19	Year ended 2017-18
Revenue From Operations	13483.37	11394.20
Other Income	68.88	155.33
Total Income/Revenue	13552.25	11549.53
Total Expenses	12348.89	10639.05
Profit before Interest, Depreciation & Tax	1726.01	1368.18
Finance Charges	127.36	157.10
Depreciation and Amortization expenses	395.29	300.60
Profit/(Loss) for the Year	1203.36	910.48
Add/(Less): *Exceptional Items	Nil	Nil
Profit before Tax	1203.36	910.48
Add/(Less): Provision for Income Tax(Current Tax)	373.49	290.00
Add/(Less): Deferred Tax Assets/ (Liability)	(80.52)	17.39
Net Profit/(Loss) for the Year after Tax	910.39	603.09
Other comprehensive income:		
Items that will not be reclassified to Profit & Loss	45.02	(52.98)
Total comprehensive income for the year	955.41	550.11
Equity Shares	5356800	5356800
Earnings per share (EPS):		
Basic	17.00	11.26
Diluted	17.00	11.26

**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 2018-19; your company has earned revenue from operations Rs. 134,83.37 Lakhs (Previous year Rs. 113,94.20 Lakhs) and net profit of the company was Rs. 910.39 Lakhs (Previous year Rs. 603.09 Lakhs)

The highlights of the Company performance during the Financial Year 2018-19 are as under:

1. Revenue from operations increased by 18.33% to Rs. 134,83.37 Lakhs.
2. Export Sales increased by 31.92% to Rs. 8350.40 Lakhs.
3. EBIDT increased by 26.15% to Rs. 1726.01 Lakhs.
4. Profit before tax increased by 32.17% to Rs. 1203.36 Lakhs.
5. Net Profit increased by 50.95% to Rs. 910.39 Lakhs.

Your Company is currently operating in two business verticals viz. Domestic sales which constitute about 40% of the sales revenue and Exports which constitute about 60% of the sales revenue.

The domestic sales constitute supply of High tensile fasteners to the two wheeler (direct supplies to Hero MotoCorp Ltd) and to a lot of Tier 1 vendors of Maruti Suzuki, Hyundai and Tata Motors Ltd. All the above sectors remained buoyant in the year gone by and had shown good growth in the previous year. However in the current year, the volumes of the 2W Industry, the Passenger Car sector and the Heavy sector(Commercial) are substantially down since the beginning of April 2019 and are going down on month on month basis. Our revenue from operations in all these above sectors in the financial year 2018-19 has grown by over 18.33% as compared to previous year 2017-18. For the current year, there are too many variables which include a possibility of a healthy monsoon, successful festival period, adaptability to BS VI norms, government's push for eco friendly vehicles and the rising cost of ownership of the vehicles. All these factors are currently detrimental and the volumes shall increase if only if all the variables are in the positive zone.

Export sales of the company increased by 31.92% from Rs. 6330.00 Lakhs to Rs. 8350.40 Lakhs. The volume growth accompanied by a favorable exchange rate movement helped the company grow at a healthy rate.

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 2 to 3 months. This is down since the last years. The order inflow is a running continuous process and the international markets are currently operating at lower levels than before. The orders are flowing but not at the speed at which they were coming in the past. US-China trade tensions, coupled with Brexit uncertainties and economical cyclical patterns are affecting the international trade currently.

The company's continued investments towards development and manufacture of new products are expected to result in further improvement in performance in the years ahead despite a slow down as focus is more on adding specials and value added parts.

The company has a 3 acre industrial land at IMT Rohtak which is fully paid from company's resources. The company will shortly prepare a plan to kick start the green field expansion on this industrial land. The company is exploring different business opportunities across our Export/Domestic customers to decide the right product mix to produce before finalizing the machinery. We expect to start the construction activity within this financial year itself.

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.

From a company point of view, we expect the sales in the current financial year to be in the same level as in the previous year.

### 4. DIVIDEND

Keeping in view the Company's tradition of giving high rewards to the shareholders of the company, The directors in their meeting held on May 30, 2019 is pleased to recommend a final dividend of Rs. 3.00 per equity share, subject to the approval of shareholders at the 25<sup>th</sup> Annual General Meeting for the financial year ended 31st March, 2019. The dividend, if approved shall be payable to shareholders, whose names appear in the

Register of Members, as on Saturday, September 14, 2019 and will absorb Rs. 193.74 Lakhs towards dividend which include Rs. 33.04 Lakhs as dividend distribution tax.

The register of members and share transfer books will remain closed from Sunday, September 15, 2019 to Saturday, September 21, 2019 for the purpose of payment of the dividend for the financial year ended 31<sup>st</sup> March, 2019 and the AGM. The AGM is scheduled to be held on Saturday 21<sup>st</sup> September, 2019.

**5. RESERVES**

No amount is proposed to be transferred to General Reserve out of the net profits of the Company for the financial year 2018-19. Hence, the entire amount of profit has been carried forward to the Profit & Loss Account. 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 or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

**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**

The existing composition of the Company's board is fully in conformity with the applicable provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to independent directors and women directors.

**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. Gagandeep Singh Narang (DIN: 00179636), Director of the Company is liable to retire by rotation at the 25<sup>th</sup> Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends his re-appointment to the shareholders. The resolution seeking member's approval for his re-appointment form part of the notice.

A brief resume of him and other relevant information have been furnished in the notice convening the AGM.

**Key Managerial Personnel (KMP):**

The Board of directors of your company at its meeting held on 11<sup>th</sup> February, 2019 based on the recommendation of Nomination & Remuneration committee has, subject to approval of the members of the company, approved the revision in the validity or tenure of appointment of Mr. Ravinder Mohan Juneja (DIN: 00006496), Managing

Director of the Company from '01.01.2017 to 10.09.2021' to '01.01.2017 to 30.03.2020' i.e. up to the date he attains the age of 70 years. The members of your company have passed the special resolution through postal ballot process in the month of May, 2019.

The Board of directors of your company at its meeting held on 11th February, 2019 based on the assessment of the Nomination & Remuneration committee and recommendation & approval of Audit Committee of the company has approved the reappointment of Mr. Sunil Mishra as Chief Financial Officer (CFO) and whole time Key Managerial Personnel (KMP) of the company w.e.f 30th April, 2019.

### **Director:**

Nomination & Remuneration Committee on the basis of performance evaluation and contribution made by Mr. Vinod Kumar (DIN: 02303504) during his tenure, has recommended to the Board his continued association for a second term of five consecutive years with effect from 25.09.2019 as Independent Director of the company, not liable to retire by rotation, would be in the interest of the company. The Board recommends to the shareholders for re-appointment of Mr. Vinod Kumar (DIN: 02303504). The resolution seeking member's approval for his re-appointment form part of the notice. A brief resume of him and other relevant information have been furnished in the notice convening the AGM.

Your Members of the company have approved the appointment of Mrs. Shamoli Thakur (DIN: 08189763) as an Independent women director to hold office for a period of five years commencing from August 3, 2018 to August 2, 2023 at 24th Annual General Meeting of the Company.

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

An extract of annual return in Form MGT-9 is annexed as **Annexure-I to the Directors' Report**. In terms of the requirement of Section 134(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the same is available on the Company's website [www.mohindra.asia](http://www.mohindra.asia).

## **13. PARTICULARS OF EMPLOYEES**

The statement of particulars of Appointment and Remuneration of Key Managerial Personnel as per Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed 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 (4) four times during the financial year 2018-19, 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** forming part of the annual 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 Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director

and criteria for appointment of Key Managerial Personnel/ Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The said policy has been disclosed in the **Corporate Governance Report** forming part of the annual report and also hosted on the website of the Company [www.mohindra.asia](http://www.mohindra.asia).

The Board of Directors during the financial year 2018-2019 has amended the terms of references of the said policy pursuant to the amended SEBI Listing Regulations notified by the Securities and Exchange Board of India (SEBI) which shall come into effect from April 1, 2019. The said amendments shall be part of the 26th Annual report for the financial year ended March 2020.

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

The Company has received necessary declarations from each of Independent Director 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**. There was no change in the circumstances effecting their status as Independent Directors of the Company. The Board reviewed the Certificates and noted that all Independent Directors are independent of the Company's Management.

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

The Company proactively keeps its Directors informed of the activities of the Company its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

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 Familiarization Programme for the Board and details of various familiarization programmes conducted during the year 2018-2019 are available on [http://mohindra.asia/mfl/shareholder\\_corner.html](http://mohindra.asia/mfl/shareholder_corner.html).

#### **18. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidance note on Board Evaluation issued by the SEBI, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of Directors including Independent Directors, by way of individual and collective feedback from Directors.

The Evaluation Criteria applied are:

(a) For Independent Directors:

- Knowledge and Skills
- Professional conduct
- Duties, roles and functions
- Independence from management, etc
- Attendance to the Board and Committee meetings, and active participation thereof

(b) For Executive Directors

- Performance as Team Leader/ Member;
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios;
- Key set Goals/ KRA and achievements;
- Professional Conduct, Integrity;
- Sharing of Information with the Board.
- Attendance to the Board and Committee meetings, and active participation thereof

The performance evaluation of the Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors in a separate meeting of Independent directors held on March 20, 2019.

## MOHINDRA FASTENERS LIMITED

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Special exercise was carried out to evaluate the performance of Independent Directors for the FY 2018-19 by or on behalf of the entire Board of directors of the company on the basis of the criteria as specified above. The Board of Directors expressed their satisfaction with the evaluation process.

### 19. COMMITTEES OF THE BOARD

As on March 31, 2019, 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** forming part of the annual 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**

Pursuant to Section 139 of the Companies Act, 2013, 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 5(five) consecutive years i.e. up to conclusion of 28th Annual General Meeting to be held in the year 2022.

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

The report given by the Auditors on the financial statement for the FY 2018-19 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 appointed M/s Anand Nimesh & Associates, Practising 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 2019- 20 at the board meeting held on May 30, 2019.

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s Anand Nimesh & Associates, Company Secretaries, Delhi as the Secretarial Auditor of the Company for the financial year 2018-2019. Secretarial Audit Report issued by Mr. Anand Kumar Singh, Practising Company Secretary (CP No. 9404), Partner, M/s. Anand Nimesh & Associates, Company Secretaries, Delhi in Form MR-3 is enclosed in **Annexure-IV to the Directors' Report**.

There has been no qualification, reservation or adverse remark or disclaimer in their Report for the financial year 2018-19. 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 Secretarial Auditor has one observation:

***One of the earlier promoter/shareholder of the company had filed a complaint against the company on various grounds and the company had filed a compounding application in response to that matter. The above said matter is under jurisdiction of the office of the Registrar of Companies, NCT of Delhi and Haryana, so, we hereby, would abstain from any comment in the matter till the***

***compounding application has finally been settled. As of today, the earlier promoter is neither a shareholder nor a promoter of the company.***

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 observation:

Your company had received Show Cause Notice (SCN) dated 03rd June, 2016 from the Ministry of Corporate Affairs which called for few explanations on the matter cited therein. In response to that company had 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. Such matter is sub-judice to the Hon'ble ROC, Delhi so as of now the Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Hence the possible consequences arising out of same on the Company are not presently ascertainable.

Further your Board would like to enlighten to our members of the company that the Settlement with the erstwhile promoter was amicably arrived during the year 2018-19; as a result of which all the litigation/complaints have been withdrawn by the outgoing promoter. His reclassification and removal of the name of promoter & members of promoter group was also approved by the members of the company through postal ballot process in the month of May, 2019. As of today, the erstwhile promoter is neither a shareholder nor a promoter of the company.

### **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 GSK & Associates LLP (FRN/LLPN: 013838N/N500003), Chartered Accountants, having its office at 8, 1<sup>st</sup> Floor, Rani Jhansi Road, Motia Khan, Industrial Area, New Delhi-110055, as a Internal Auditor of the Company for FY 2019- 20 at the board meeting held on May 30, 2019.

#### **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 as amended, the Board of Directors had appointed, subject to ratification of remuneration by the members of the company, 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, 2020. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

The audit committee recommended his appointment and remuneration subject to the compliance of all the requirements as stipulated under the Act and circulars issued thereunder. The requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the Notice of the 25th Annual General meeting of your Company.

As specified by the Central Government under Section 148(1) of the Companies Act, 2013, your company is maintaining the requisite cost records and the Cost Audit Report for the FY 2018-19 shall be filed with the Ministry of Corporate Affairs in due course.

## **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**

Pursuant to Sections 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Vigil Mechanism through a Whistle Blower Policy. The details about the whistle blower policy are provided in the Annual Report Disclosures under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors during the financial year 2018-2019 has amended the Whistle Blower Policy pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended on December 31, 2018 notified by the Securities and Exchange Board of India to enable employees to report instances of leak of unpublished price sensitive information. The amendment has come into effect from April 1, 2019.

### **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 in house internal audit team to observe the effective functioning of internal financial controls, ensuring adequacy with respect to financial statements and verify whether the financial transaction flow in the organisation is being done based on the approved policies of the Company.

The internal auditor presents the internal audit report every quarter and management comments on the internal audit observations to the Audit Committee. The internal control mechanisms are in place for safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information. Thus the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

A CEO 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 related party transactions that were entered into by the Company during the financial year were in ordinary course of business and at arm's length basis. Also, there were no related party transactions which could be considered material in accordance with the Policy of the Company on materiality of related party transactions.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature and also been taken on record by the

Board. Transactions entered into pursuant to omnibus approval, a statement giving details of all Related Party Transactions are placed before the Audit Committee for review and approval on a quarterly basis.

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 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. 35 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**

Your company continues to follow a robust policy on '**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 Company has 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.

During the financial year 2018-19, there has not been any instance of complaint reported in this regard to any of the Committees.

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, hereby 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, 2019;
- (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 as 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**

The Human Resources function plays a pivotal role to realizing business objectives by leading organizational change, fostering innovation and effectively mobilizing talent to sustain the organization's competitive edge.

At MFL, the HR philosophy evolve that people are the foremost factor in the success of an organization. Our people strategy and systems & process are aimed at making the Company an employer of choice. The Company continued its focus on development of its human resources to meet the present and future challenges with enhanced skills.

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.

Various employees engagement and training & development activities were continued to motivate and upbeat the morale of the employees. The Company encourages its team members to participate in external /internal trainings in Techno/Commercial to enhance their skills.

Industrial relations continued to remain congenial during the current year. The Directors thank the employees for their contribution to the progress of the Company during the year under review.

During the financial year 2018-2019, the numbers of permanent employees on the pay rolls of the company were 361 as on 31st March, 2019.

### **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.

The company strives to manufacture products with zero pollution and zero accidents, by continuously improving its environmental and occupational health and safety management systems. The company accords paramount importance to the health and safety of its employees.

The company's manufacturing facilities primarily focus on energy efficiency, water conservation, usage of renewable energy including solar power, waste management and reduction in use of hazardous chemicals.

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. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Board has constituted a Corporate Social Responsibility ("CSR") Committee as per the provisions of Section 135 of the Companies Act, 2013. The Board has also framed a CSR Policy as per the recommendations of the CSR Committee. The CSR Policy is available on the Company's website [www.mohindra.asia](http://www.mohindra.asia).

The salient features of the Policy are to actively engage and extend support to the communities in which it operates and thus build a better, sustainable way of life by supporting the weaker sections of the society and thus contribute to the human development, to impel measures and to provide solutions that will balance economic, social and environmental issues and to work together with our employees with a commitment for adhering to responsible business practices in terms of quality management, environmental sustainability and support to the community.

The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended March 31, 2019 in the format prescribed under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities is annexed as ***Annexure-VII to the Directors' Report.***

### **35. 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 separate report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the this Annual Report with a certificate from the Company's auditors confirming the compliance of conditions of Corporate Governance is annexed as Annexure B to the Corporate Governance Report.

### **36. 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 31st March, 2019.

### **37. SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India has issued Secretarial Standards (Meetings of the Board and General Meetings) on various aspects of corporate law and practices. The Company has complied with each one of them.

### **38. 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 amongst other matters, contain provisions for transfer of all shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, in the name of Investor Education and Protection Fund ("IEPF") Authority.

Adhering to the various requirements set out in the Rules, the Company has vide its letter dated 16.07.2019 communicated individually, the concerned shareholders whose shares are liable to be transferred to the IEPF Authority during the financial year 2019-20 of the financial year 2011-12 for taking appropriate action and simultaneously published the newspaper advertisement.

Your Company has, so far, transferred to IEPF Authority, on respective due dates, all unencashed amount and shares in respect of which dividend(s) for the financial year 2010-11 or before had remained unpaid or unclaimed for a period of seven consecutive years or more i.e. an amount of Rs. 39071 (Rupees Thirty Nine Thousand and Seventy One only) of unpaid/unclaimed dividends and 500 shares were transferred during the financial year 2018-19 to the Investor Education and Protection Fund ("IEPF") related to financial year 2010-11, 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, 2018 (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 please be noted that both the unclaimed dividend and the shares once transferred to IEPF Authority including all the benefits accruing on such shares, if any, can be claimed back by them from the IEPF Authority after following the procedure prescribed under the IEPF Rules. The detail of Nodal Officer of the Company is also 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 de-mat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

## **MOHINDRA FASTENERS LIMITED**

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### **39. 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 Limited has issued '[ICRA] BBB(stable) (pronounced as ICRA triple B) rating to the company for the Rs. 19.00 Crores long term debt facilities and [ICRA] A3+ (pronounced as ICRA A three plus) for the Rs. 20.00 Crores for the short term debt facilities during the financial year 2018-19 and there has been no revision thereto during the said financial year. These ratings are considered to have moderate degree of safety regarding timely servicing of financial obligations.

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.

### **40. LISTING INFORMATION**

The Securities of your company are listed at Metropolitan Stock Exchange of India Limited (MSEI) w.e.f 30th 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 2019-20 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. Your Company shall take adequate steps to get the scrip traded on MSEI at the earliest.

The Company has paid the annual custody fees for the year 2019-20 to the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The shares of the Company are compulsorily traded in dematerialized form.

### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation to all the employees for their dedication and commitment. Their hard work and unstinting efforts enabled the company to sustain its performance and consolidate its sectoral leadership.

Your Company continues to be respected by stakeholders including valuable customers. Your Directors would like to express their sincere appreciation for assistance and co-operation received from vendors and stakeholders, including financial institutions, banks, Central and State Government authorities, customers distributors, suppliers and business associates, who extended their valuable support during the year under review. It will be the Company's endeavor to nurture these relationships in strengthening business sustainability.

**By Order of the Board**

**Place: New Delhi**

**Dated: 06<sup>th</sup> August, 2019**

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

## **REPORT ON CORPORATE GOVERNANCE**

A report for the financial year ended March 31, 2019 on the compliance by the Company the Corporate Governance requirements under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), is furnished below:

### **Our Corporate Governance Philosophy**

The Company truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic principles of corporate governance. The Company always stressed in achieving optimum performance at all levels by adopting and adhering to best corporate governance practices. The Company has focused on corporate governance as a means to maximize long-term stakeholders’ value through disciplined and sustained growth and value creation.

The Company endeavors not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the latest global trends of making management completely transparent and institutionally sound.

The Company has professionals on its Board of the Directors who are actively involved in the deliberations of the Board on all important policy matters. Your Directors view good Corporate Governance as the foundation for honesty and integrity and recognize these matters to maintain your trust.

The Company strives hard to achieve establishment of internal controls and risk management; internal and external communications; and high standards of safety, health and environment management, accounting fidelity, product and service quality. The Company also believes that for a Company to succeed, it must consistently maintain commendable standards of corporate conduct towards its employees, customers, society and other stakeholders.

### **APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES:**

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company’s shareholders appoint the Board of Directors, which in turn governs the Company.

The Board critically evaluates the Company’s strategic direction, management policies and their effectiveness. The Board’s actions and decisions are aligned with the Company’s best interest. It is committed to the goal of sustainably elevating the Company’s value created. The Board has established several Committees to discharge its responsibilities in an effective manner.

The Chairman of the Board is the leader of the Board. The Chairman is 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 all its stakeholders. The Chairman guides the Board for effective governance structure in the Company.

The Managing Director provides overall direction for effective management of the Company. The Managing Director is responsible for corporate strategy, brand equity, planning, external contacts and all important management matters. In the operations and functioning of the Company, the Managing Director is assisted by a core group of senior level executives.

### **BOARD OF DIRECTORS**

#### **Composition of the Board**

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 **31st March, 2019**, 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.

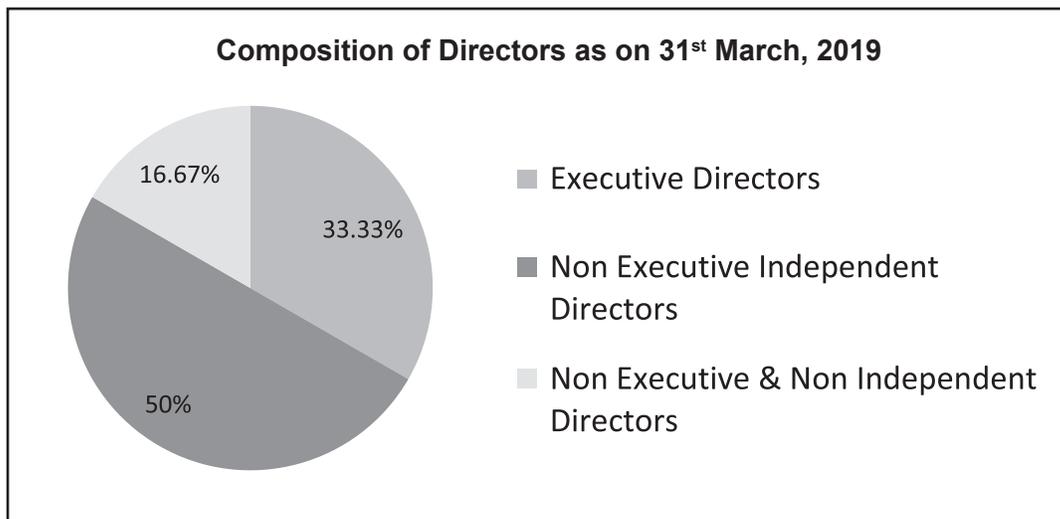
## MOHINDRA FASTENERS LIMITED

The Company immensely benefits from the professional expertise of the independent Directors in their capacity as Independent Professional / Business Executives and through their invaluable experience in achieving corporate excellence.

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.

As on March 31, 2019 and as on the date of this Report, the Board meets the requirement of having at least one woman Director and not less than 1/2 of the Board strength comprising of Non-Executive Directors in compliance with Regulation 17(1) of the SEBI Listing Regulations and other applicable regulatory requirements.



### Details of Board Meetings

The Company held **4 (Four)** Board Meetings during **Financial Year 2018-19** 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.	29.05.2018	6	5
2.	03.08.2018	5	4
3.	13.11.2018	6	3
4.	11.02.2019	6	5

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 26.09.2018 and 28.03.2019, which then further placed and adopted at the subsequent Board Meetings held on 13.11.2018 and 30.05.2019.

**Category of directors, their shareholding, other Directorships and Committee positions held in other Companies of each director:**

Name & DIN of Director	Category	Date of Appointment & Shareholding	No. of other Directorships in other companies (Excluding MFL) and Committee Membership in other Companies (including MFL)#				Name of the listed entities (including MFL) in which the person is a Director and the category of Directorship
			Directorships		Committee Membership		
			Chairman	Member	Chairman	Member	
Mr. Deepak Arneja (Managing Director & CEO) DIN:00006112	Promoter, Chairman- Executive Director	10.01.1995 (570,900)	-	-	-	2	Mohindra Fasteners Limited Chairman cum Managing Director & CEO
Mr. Ravinder Mohan Juneja (Managing Director) DIN:00006496	Promoter, Executive Director	10.01.1995 (505,350)	-	-	-	1	Mohindra Fasteners Limited Managing Director
Mr. Vinod Kumar DIN:02303504	Independent, Non- Executive Director	21.12.2013 (2,000)	-	1	2	-	Mohindra Fasteners Limited Non-executive Independent Director
Mrs. Anjali Malik* DIN:06875087	Independent, Non- Executive Director	30.04.2014 (Nil)	-	-	-	-	N.A.
Mrs. Shamoli Thakur* DIN:08189763	Independent, Non- Executive Director	03.08.2018 (Nil)	-	-	-	-	Mohindra Fasteners Limited Non-executive Independent Director
Mr. Gagandeep Singh Narang DIN:00179636	Non- Executive, Non Independent	15.02.2016 (65,300)	-	-	-	-	Mohindra Fasteners Limited Non-executive, Non- independent Director
Mr. Ved Prakash Chaudhry DIN: 07572208	Independent, Non Executive Director	30.07.2016 (100)	-	-	-	1	Mohindra Fasteners Limited Non-executive Independent Director

# Excludes directorships in foreign companies, companies registered under Section 8 of the Companies Act, 2013, private limited companies and alternate directorships.

# Includes only the Membership(s)/Chairmanship(s) of Audit and Stakeholders' Relationship Committees in all public limited companies.

\*Mrs. Shamoli Thakur has been appointed as Independent Women Director w.e.f August 03, 2018 for a period 5 (five) consecutive year i.e. till August 02, 2023, in order to fill the intermittent casual vacancy caused by the resignation of Mrs. Anjali Malik, Independent Women Director (Resigned w.e.f June 01, 2018).

## MOHINDRA FASTENERS LIMITED

Pursuant to the provisions of Section 165(1) the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors holds Directorships in more than 20 companies (Public or Private), 10 public companies, Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board Committee in excess of 5. None of the Directors serve as Independent Director in more than 7 listed companies. None of the Director who serves as Whole Time Director in any listed company serves as Independent Director in more than 3 listed companies.

**The attendance of each Director at all meetings of Board of Directors and at the last Annual General Meeting held during the FY 2018 - 19:**

Name of Director	Attendance at the Board Meetings held on				Attendance at AGM held on 28th September, 2018
	29.05.2018	03.08.2018	13.11.2018	11.02.2019	
Mr. Deepak Arneja	Yes	Yes	Yes	Yes	Yes
Mr. Ravinder Mohan Juneja	Yes	No	Yes	Yes	Yes
Mr. Vinod Kumar	Yes	Yes	No	Yes	Yes
Mrs. Shamoli Thakur	Appointed w.e.f 03.08.2018		No	No	No
Mrs. Anjali Malik	No	Resigned w.e.f 01.06.2018			
Mr. Gagandeep Singh Narang	Yes	Yes	No	Yes	Yes
Mr. Ved Prakash Chaudhry	Yes	Yes	Yes	Yes	Yes

**Disclosure of relationships between directors inter-se:** None of the Director(s) are inter-se related to each other.

**No of Shares held by Non Executive Directors in the company as on 31st March, 2019:**

Non Executive Directors	No. of Equity Shares of Rs. 10/- each
Mr. Gagandeep Singh Narang	65300
Mr. Vinod Kumar	2000
Mr. Ved Prakash Chaudhry	100
Mrs. Shamoli Thakur	Nil

**Familiarisation Programmes for Independent Directors:**

Details about the Familiarisation Programme for the financial year 2018-19 can be accessed on the website of the Company i.e. [www.mohindra.asia](http://www.mohindra.asia).

**Chart or a matrix setting out the skills/expertise/competence of the Board of Directors as required in the context of its business and sectors for it to function effectively:**

Category of Directorship	Nature of expertise in specific functional area
Chairman / Executive Directors	General Management / Marketing / Sales / Project Management / Human Resources / Finance
Non-Executive Non-Independent Directors	Corporate Strategy and General Management
Non-Executive Independent Directors	Corporate Strategy / General Management / Marketing / Sales / Banking / Finance / Human Resources

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence. The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations, 2015 and are independent of the management.

**Resignation of Independent Director from the Board of the Company:** During the year under review, Mrs. Anjali Malik, Independent women Director resigned from the directorship of the Company w.e.f. June 1, 2018, due to her personal & unavoidable circumstances, pursuant to provision of Section 168 of the Companies Act, 2013 & any other applicable provisions. There was no other material reason other than those provided above.

### COMMITTEES OF THE BOARD

Details of the Committees of the Board and other related Informations are provided hereunder:

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
<b>Statutory Committees</b>				
<b>AUDIT COMMITTEE</b>	<p>The Terms of Reference / Role of Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations, 2015 as well as in Section 177 of the Companies Act, 2013 which includes, among other things, the following:</p> <ul style="list-style-type: none"> <li>Oversight of the listed entity's financial reporting process.</li> <li>Recommendation for appointment, remuneration and terms of appointment of auditors.</li> <li>Reviewing, with the management, the annual financial statements and auditor's report.</li> <li>Scrutiny of inter-corporate loans and investments.</li> <li>Internal financial controls and risk management systems.</li> <li>Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems and reviewing the adequacy of internal audit function.</li> <li>Management discussion and analysis of financial condition and results of operations.</li> <li>Reviewing the statement of significant related party transactions.</li> <li>Internal audit reports relating to internal control weaknesses.</li> </ul> <p>Audit Committee review all the information, listed in Para A &amp; B of Part C of Schedule II of the SEBI Listing Regulations and other applicable provisions, laws, rules and regulations, if any.</p> <p>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.</p>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>4 (Four) Audit Committee meetings were held during the year as on, 28th May, 2018, 02nd August, 2018, 12th November, 2018 and 09th February, 2019 and the gap between two meetings did not exceed one hundred and twenty days.</li> <li>During the year, in every meeting all the Committee members were present except in 09th February, 2019, Mr. Deepak Arneja was granted leave of absence.</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 Chairman of the Audit Committee Mr. Vinod Kumar was present at the 24th Annual General Meeting held on 28th September, 2018 of the Company.</li> </ul>
		Mr. Vinod Kumar (Chairman)	Non Executive Independent Director	
		Mr. Deepak Arneja	Executive Director	
	Mr. Ved Prakash Chaudhry	Non Executive Independent Director		

## MOHINDRA FASTENERS LIMITED

<b><u>NOMINATION AND REMUNERATION COMMITTEE</u></b>	<p>The scope of the Remuneration policy and terms of the reference of NRC is as per Section 178 of the Companies Act, 2013 and Part D of Schedule II of the SEBI Listing Regulations, 2015, which includes the following matters:-</p> <ul style="list-style-type: none"> <li>• The criteria which a person should possess to be considered eligible for appointment as an Independent Director or senior managerial personnel.</li> <li>• Evaluation criteria for performance evaluation of independent directors.</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>• Remuneration for the Key Managerial Personnel (i.e. Managing Director, Whole-time Director, Manager, CEO, CFO, Company Secretary).</li> </ul> <p>The Nomination &amp; Remuneration Committee reviews 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.</p>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>• 2 (Two) Committee meetings were held during the year on 02nd August, 2018 and 09th February, 2019.</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 Audit Committee Mr. Vinod Kumar was present at the 24th Annual General Meeting held on 28th September, 2018.</li> </ul>
		Mr. Vinod Kumar (Chairman)	Non-Executive Independent Director	
		Mr. Gagandeep Singh Narang	Non-Executive Non-Independent	
		Mr. Ved Prakash Chaudhry	Non-Executive Independent Director	

<b><u>STAKE-HOLDER'S RELATIONSHIP COMMITTEE</u></b>	<p>The terms of references of Committee is as per the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 178 of the Act.</p> <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> </ul> <p>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.</p>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>11 (Eleven) Committee meetings were held during the year on 21st May, 2018, 28th June, 2018, 28th July, 2018, 20th August, 2018, 29th September, 2018, 30th October, 2018, 26th November, 2018, 26th December, 2018, 31st January, 2019, 26th February, 2019 and 26th March, 2019.</li> <li>All the committee members were present at all the committee meetings during the year.</li> <li>Ms. Nidhi Pathak, Company Secretary of the company is the Compliance Officer.</li> <li>During the year, 20 (twenty) complaints were received from shareholders / investors and other agencies, which have been resolved to the satisfaction of the shareholders. There are no pending Complaint as at 31st March, 2019.</li> </ul>
		Mr. Vinod Kumar (Chairman)	Non-Executive Independent Director	
		Mr. Ravinder Mohan Juneja	Executive Director	
		Mr. Deepak Arneja	Executive Director	
<b>Statutory Committees</b>				
<b><u>CORPORATE SOCIAL RESPONSIBILITY</u></b>	<p>The terms of references of the Committee are as per provisions of Companies Act.</p> <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>1(One) Committee meeting was held during the year on 12th November, 2018.</li> <li>During the year, all the Committee Members were present in the above meeting.</li> </ul>
		Mr. Deepak Arneja (Chairman)	Executive Director	
		Mr. Ravinder Mohan Juneja	Executive Director	
		Mr. Vinod Kumar	Non-Executive Independent Director	

## MOHINDRA FASTENERS LIMITED

<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>01 (One) Committee meeting was held during the year on 20th March, 2019 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 30th January, 2015.</li> </ul>
		Ms. Nidhi Pathak (Presiding Officer)	Company Secretary	
		Mrs. Dimpy Makar	Export Executive	
		Mr. Vinod Sharma	Manager, Personnel & Administration Dept.	
		Mr. Feroze Abbasi	Member of NGO	

### **Separate Meeting of Independent Directors:**

During the financial year 2018-19, Independent Directors met once on 20th March, 2019 without the presence of Executive and Non-executive Directors and members of Management, inter-alia for:

1. Reviewing the performance of Non Independent Directors and the Board of Directors as a whole.
2. Reviewing the performance of the Chairman of the company taking into account the views of Executive and Non- Executive Directors.
3. Assessing 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 regarding suggestion to strengthen corporate governance norms, Board effectiveness, compliance management and/or any other changes, as may be deemed appropriate in the best interest of the company.

### **Performance Evaluation**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors, Board of Directors and Committees of the Board of Directors. The criteria for performance evaluation encompass the following areas relevant to their functioning as independent directors, member of Board or Committees of the Board.

- Attendance to the Board and Committee meetings, and active participation thereof.
- Flow of information to the Board.
- Experience and competencies, performance of specific duties and obligations.
- How their performance is reflected in the overall engagement of the Board and its Committees with the Company, etc.

### **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. During 2018-19, the Board approved the revised Nomination & Remuneration Policy in its meeting held on February 11, 2019 and the same will be applicable on the company w.e.f April 1, 2019 and to be incorporated in the 26th Annual Report for the financial year ending March 31, 2020.

### **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 is a key part of the process of review of the functioning and effectiveness of the Board and

## MOHINDRA FASTENERS LIMITED

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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:

1. Ability to contribute to and monitor our corporate governance practices.
2. Participation in long-term strategic planning.
3. Commitment to the fulfilment of 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 paid to the Non -Executive Directors during the year was Rs. 5,000/-\* per meeting of the Board.

\* the sitting fees of the non-executive director was increased from Rs. 5000/- to 10,000/- per meeting by the board of directors of the company w.e.f. February 11, 2019.

- **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 2018 - 19**

- The aggregate value of salary, perquisites and commission paid to Mr. Deepak Arneja, Chairman(Managing Director & CEO), during the year **2018-19 is Rs. 34,28,418/-** comprising:

Salary	Rs. 34,28,418
Perquisites and allowances	NIL
Commission	NIL
Period of Agreement	Up to 30 <sup>th</sup> 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

## MOHINDRA FASTENERS LIMITED

- The aggregate value of salary, perquisites and commission paid to Mr. Ravinder Mohan Juneja, Managing Director, during the year **2018-19 is Rs. 32,60,418/-** comprising:

Salary	Rs. 32,60,418
Perquisites and allowances	NIL
Commission	NIL
Period of Agreement	Up to he attains the age of 70 years i.e. 30th March, 2020.
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 2018-19, the Company was not paying any sitting fee as such to any of executive directors on the Board of Company.

Non-Executive Directors on the Board of the Company were paid sitting fees for the financial year 2018-19. The sitting fees paid to non-executive directors and independent directors are within the limit prescribed under the Companies Act, 2013. Sitting fee paid as indicated in the form MGT 9 forming part of the Annual Report includes payment for Board meetings only. The Company does not have any stock option scheme. Other than sitting fees, no other remuneration is paid to non-executive directors.

The Company has no pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report.

The criteria of making payments to non-executive Directors incorporated in the Nomination & Remuneration Policy which can be accessed on the website of the company [www.mohindra.asia](http://www.mohindra.asia).

### GENERAL BODY MEETINGS

- a) Details of the location, date and time of last three Annual General Meetings (AGM) and the details of special resolutions passed at the AGMs:

AGM	YEAR	VENUE	DATE/DAY	TIME	SPECIAL RESOLUTIONS
24th	2017-18	Apsara Grand Banquet Halls, A- 1/20B, Paschim Vihar, Rohtak Road, Near Paschim Vihar West Metro Station, Pillar No. 255, New Delhi -110063	28.09.2018 (Friday)	11.30 A.M.	To approve the Reclassification of the Shareholders from the Promoters' Group Category.
23rd	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.
22nd	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.

No Extra-ordinary General Meeting of the shareholders was held during the year 2018 - 19.

**b) Postal Ballot**

During the year 2018 - 19, the Company didn't pass any resolution through postal ballot.

**Proposal to pass special resolution through Postal Ballot:** During the year 2018-19, Board of Directors of the company had proposed to pass the following special resolution through postal ballot, at their duly convened meeting held on February 11, 2019:

Sr. No.	Proposed Resolution
1.	Approval of the revision in the validity or tenure of appointment of Mr. Ravinder Mohan Juneja, Managing Director of the company

Mr. Anand Kumar Singh, Practicing Company Secretary (C.P. No. 9404), Partners of M/s Anand Nimesh & Associates, Delhi, who has been appointed as Scrutinizer for conducting the Postal Ballot and e-voting process in a fair & transparent manner.

**Date of sending of Postal ballot notice: April 11, 2019. The proposed Postal Ballot procedure has been completed in the month of May 2019. Therefore, no more details required to mention in this Annual Report.**

**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 to the registered email ids 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.
- No presentation was made to the institutional investors / analysts.
- 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 are mandatorily filing in XBRL Mode at the MSE Listing Centre (for XBRL Filings): <https://xbml.msei.in> and also uploaded on 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.

**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.

## MOHINDRA FASTENERS LIMITED

### a) Annual General Meeting:

Date and Day	Saturday, 21 <sup>st</sup> September, 2019
Venue	Le Pacific Outdoor Catering Banquet 31/35, Main Rohtak Road, Punjabi Bagh West, Opp. Metro Pillar No 142, New Delhi 110026
Time	11.30 A. M.
Book Closure Dates	(Sunday) September 15, 2019 to (Saturday) September 21, 2019
Dividend Announcement	The Board of Director of the company has recommended a dividend at the rate of 30% of the face value of Rs. 10/- each i.e. Rs. 3.00/- per equity shares, at their duly convened board meeting held on May 30, 2019, subject to the approval of the shareholders at the 25th Annual General Meeting.

### Financial Calendar 2019 - 20 (April to March)

The Company expects to announce the Unaudited Quarterly Results for the year 2019 - 20, as per the following schedule:

Financial Reporting for the Quarter ending June 30, 2019	Upto 14 <sup>th</sup> August, 2019
Limited Review Report for the Quarter ended on June 30, 2019	Upto 14 <sup>th</sup> August, 2019
Financial Reporting for the Quarter ending September 30, 2019 and Half-year results	Upto 14 <sup>th</sup> November, 2019
Limited Review Report for the Quarter ended on September 30, 2019	Upto 14 <sup>th</sup> November, 2019
Financial Reporting for the Quarter ending December 31, 2019	Upto 14 <sup>th</sup> February, 2020
Limited Review Report for the Quarter ended on 31 December, 2020	Upto 14 <sup>th</sup> February, 2020

The Audited Financial Results of the Company for the year **2019 - 2020** will be announced on or before 30th May, 2020 which will include the results of the fourth quarter of the year 2019 - 2020.

### (b) Financial Year: April, 2018 to March, 2019.

### (c) Dividend payment date: on or before 20th October, 2019.

Record Date: Saturday, September 14, 2019 for payment of dividend.

### (d) 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 2019-20 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.

### (e) Other Information:

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

METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED (MSEI)

Vibgyor Towers, 4th floor, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098, India.

#### • Series and Symbol (stock code): BE - MFL

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

### (f) 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. So there is not data available as of now for disclosure

### (g) Performance in comparison to broad-based indices: Not Applicable

(h) **Disclosure on suspension of trading:** Not Applicable

(i) **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, 1st 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- 26812682

(j) **Share Transfer System**

All the transfers, transmission, consolidate, split & duplicate, etc related work in physical form are processed by the Company's Registrar and Share Transfer Agent, Skyline Financial Services (P) Ltd., subject to the completeness of documents in all aspects. Share transfer / Remat requests are processed within the timelines stipulated by SEBI. Demat requests are processed within the period stipulated under the SEBI Regulations. The share certificates duly endorsed are returned immediately to the shareholders. The details of transfers/transmissions, 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, so approved from time to time are placed before the Stakeholder Relationship Committee for noting and confirmation.

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.

In terms of Regulation 40 of SEBI Listing Regulations, as amended, SEBI, vide its notification dated 8 June, 2018, amended the Listing Regulations and mandated that the securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent, M/s Skyline Financial Services (P) Ltd. for assistance in this regard.

Pursuant to Regulation 7(2) of the Listing Regulations, Compliance Certificate jointly signed by Compliance Officer and Authorised Representative of the RTA certifying compliance regarding maintenance of securities transfer facilities; Certificates for timely dematerialisation of the shares as per SEBI (Depositories and Participants) Regulations, 1996; 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 and Reconciliation of share capital audit report obtained from a Practicing Company Secretary have been submitted to stock exchange in XBRL Mode and uploading the signed copy of RSCAR on MYLISTING Portal within the stipulated time.

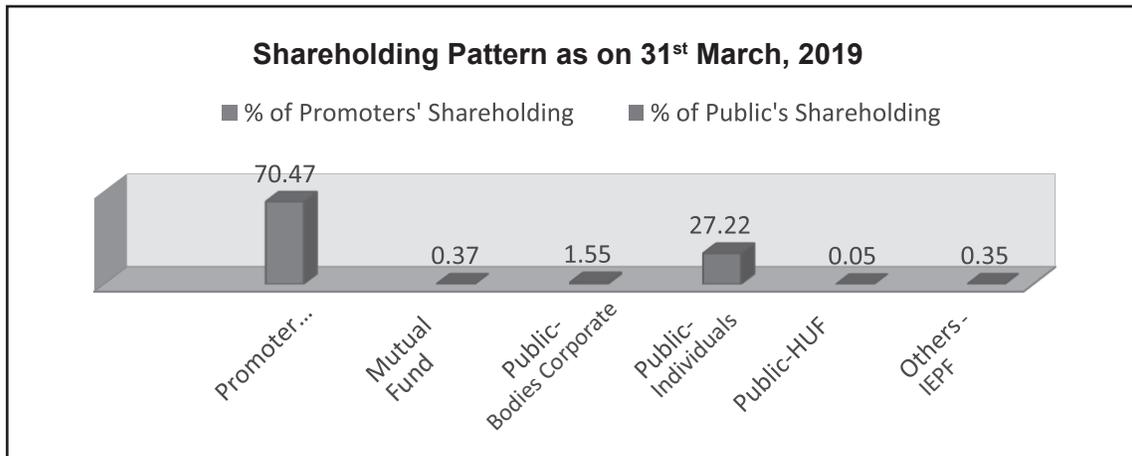
(k) **Distribution of Shareholding as on 31.03.2019**

Range of Share holding Nominal Value	No. of Shareholders	% of Total No. of Shareholders	Shareholding Amount	% of Total Shareholding Amount
Up to 5000	264	50.77	677750	1.27
5001 – 10000	125	24.04	1215000	2.27
10001 – 20000	45	8.65	866030	1.62
20001 – 30000	22	4.23	572000	1.07
30001 – 40000	5	0.96	182020	0.34
40001 – 50000	12	2.31	586000	1.09
50001 – 100000	16	3.08	1308200	2.44
100001 & above	31	5.96	48161000	89.91
<b>Total</b>	<b>520</b>	<b>100</b>	<b>53568000</b>	<b>100</b>

## MOHINDRA FASTENERS LIMITED

### Categories of Shareholding of the Company as on 31.03.2019

Category		Nos. of Shares held	Percentage of Holding
<b>A</b>	<b>Promoter and Promoter Group</b>		
	1. Indian Promoters	37,74,700	70.47
	2. Foreign Promoters	-	-
	<b>Sub Total</b>	<b>37,74,700</b>	<b>70.47</b>
<b>B</b>	Public Shareholding		
	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	83,000	1.55
	- Individuals	14,58,400	27.22
	- NRIs	-	-
- Clearing members	-	-	
- HUF	2500	0.05	
- Others-IEPF	18600	0.35	
	<b>Grand Total</b>	<b>53,56,800</b>	<b>100.00</b>



#### (I) Dematerialization of Shares and Liquidity

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery compulsorily only in dematerialised form.

92.29% of total equity capital (including holding of promoter companies) is held in dematerialised form with NSDL and CDSL as on March 31, 2019.

The break-up of equity shares held in Physical and Dematerialized form as on March 31st, 2019, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	412900	07.71
NSDL	3122871	58.30
CDSL	1821029	33.99
<b>Total</b>	<b>5356800</b>	<b>100.00</b>

Annual Custody Fees for the year 2019-20 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. 43 to the financial statements. The senior management oversees the management of these risks. The details of foreign currency exposure are disclosed in Note No. 37-40 to the Audited Financial Statements of the Company, forming part of the Annual Report for the financial year ended March 31, 2018.

**(o) Plant Locations**

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

**Plant-I**

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

**Plant-II**

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

**Plant-IV**

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

**Plant III (to be started soon)**

Plot No. 42, 43 & 44, Sector-31B,  
IMT Rohtak, Haryana

**(p) Address for Correspondence:**

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

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: [cs@mohindra.asia](mailto:cs@mohindra.asia)

Shareholders holding shares in electronic form should address all their correspondence relating to change in residential address, bank account details or any instructions regarding dividend etc. to their respective **Depository Participant (DP)**.

**(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.:**

ICRA Limited has issued '[ICRA] BBB(stable) (pronounced as ICRA triple B) rating to the company for the Rs. 19.00 Crores long term debt facilities and [ICRA] A3+ (pronounced as ICRA A three plus) for the Rs. 20.00 Crores for the short term debt facilities during the financial year 2018-19 and there has been no revision thereto during the said financial year.

## MOHINDRA FASTENERS LIMITED

### DISCLOSURE:

Particulars	Regulations	Details	Website Links for details of policy
Materially Significant Related Party Transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Companies Act, 2013.	<p>There were no materially significant related party transactions made by the Company with its Promoters, their Directors or Management or relatives etc. that may have potential conflict with the interests of the Company at large.</p> <p>All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required Ind AS-24 has been made in the notes to the Financial Statements.</p> <p>The POLICY ON DEALINGS &amp; MATERIALITY OF RELATED PARTY TRANSACTIONS placed on the website of the Company.</p> <p>During 2018-19, the Board of Directors revised the policy in accordance with the amendments in the Companies Act, 2013 and the Listing Regulations. Further, the Board of Directors shall review the said policy at least once every three years for any updation.</p>	<a href="http://mohindra.asia/mfl/pdfs/DONE-RELATED_PARTY_POLICIES.pdf">http://mohindra.asia/mfl/pdfs/DONE-RELATED_PARTY_POLICIES.pdf</a>
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	Schedule V Part C Point 10(b) to the SEBI (LODR) Regulations, 2015.	<p>There were no instances of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years.</p> <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>	N.A

<p>Whistle Blower Policy and Vigil Mechanism</p>	<p>Regulation 22 of SEBI (LODR) Regulations, 2015.</p>	<p>Pursuant to Sections 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, 2015, the Company has a Vigil Mechanism through a Whistle Blower Policy. The policy enables stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices, if any, reporting of concerns by directors and employees about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy or any other genuine concerns or grievances, to provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairman of the Audit Committee. No personnel has approached the Audit Committee till date.</p> <p>The Board of Directors during the financial year 2018-2019 has amended the Whistle Blower Policy pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended on December 31, 2018 notified by the Securities and Exchange Board of India to enable employees to report instances of leak of unpublished price sensitive information. The amendment came into effect from April 1, 2019.</p> <p>Details about the Whistle Blower Policy can be accessed on the website of the Company.</p>	<p><a href="http://mohindra.asia/mfl/pdfs/vigil-mechanism.pdf">http://mohindra.asia/mfl/pdfs/vigil-mechanism.pdf</a></p>
<p>Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015, relating to Corporate Governance</p>	<p>Regulation 27(1) as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015.</p>	<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>• Office for non-executive Chairman at company's expense: 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(s) in Audit Report: There is no audit qualification with regard to financial statements in the Auditors' Report or qualification or adverse remark by the Company Secretary in Practice in their Secretarial Audit Report for financial year 2018-2019.</li> <li>• Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee of the company.</li> </ul>	<p>N.A.</p>

## MOHINDRA FASTENERS LIMITED

Accounting Treatment and Compliance with Accounting Standards	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.</li> </ul>	N.A.
CEO & MD/ CFO Certification	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, 2019.</li> <li>The Said Certificate is enclosed as <b>Annexure-A</b> to the Corporate Governance Report.</li> </ul>	N.A.
Auditors' Certificate on Corporate Governance	Para E of Schedule V of SEBI Listing Regulations	<ul style="list-style-type: none"> <li>A Compliance Certificate from M/s B.L. Khandelwal &amp; Co., Chartered Accounts, Statutory Auditor of the company, in pertaining to the compliance of conditions of corporate governance is appended as <b>Annexure-B</b> to the Corporate Governance Report.</li> </ul>	
Code of Conduct	Para D of Schedule V of SEBI (LODR) Regulations, 2015.	<ul style="list-style-type: none"> <li>The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company.</li> <li>The code of conduct is available on the website of the Company.</li> <li>All Board members and senior management personnel have affirmed compliance with the code of conduct.</li> <li>The Code of Conduct has incorporated the duties of independent directors as laid down under the Companies Act, 2013.</li> <li>A declaration signed by the Managing Director is appended as <b>Annexure-C</b> to the Corporate Governance Report.</li> </ul>	<a href="http://mohindra.asia/mfl/polices_and_code.html">http://mohindra.asia/mfl/polices_and_code.html</a>

Certificate from Practising Company Secretary	Para C of Schedule V of SEBI (LODR) Regulations, 2015.	<ul style="list-style-type: none"> <li>A certificate from a Practising Company Secretary has obtained regarding the fact that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.</li> <li>A Certificate from M/s Anand Nimesh &amp; Associates, Company Secretary in practice, Secretarial Auditors of the company is annexed herewith as <b>Annexure-D</b> to the Corporate Governance Report.</li> </ul>	N.A.
Prevention of Insider Trading	SEBI (Prohibition of insider trading) (Amendment) Regulations, 2018.	<ul style="list-style-type: none"> <li>The Company has amended the code of Internal Procedures and Conduct for regulating, monitoring and reporting trading by designated persons and Code of fair disclosure of unpublished price sensitive information in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 w.e.f. April 1, 2019</li> </ul>	<a href="http://mohindra.asia/mfl/polices_and_code.html">http://mohindra.asia/mfl/polices_and_code.html</a>

**Disclosure of commodity price risks and commodity hedging activities:** The details are provided at Management Discussion & Analysis of this report.

**Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):** The Company has not raised funds through preferential allotment or qualified institutions placement during the financial year 2018-2019.

**Instances of not accepting any recommendation of the Committee by the Board:** There is no such instance where Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

**Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part.**

The total fee for all services paid by the Company to M/s B. L. Khandelwal & Co., Chartered Accountants, Statutory Auditors of the Company during the financial year is mentioned at Note No. 30 of Notes to standalone financial statements.

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

**There was no non-compliance of any requirement of corporate governance report as details mentioned above.**

## MOHINDRA FASTENERS LIMITED

Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), 2015:

Regulation No.	Particulars	Compliance Status (YES/ NO)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination & Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	N.A
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	N.A
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to employees including senior management, key managerial persons, directors and promoter	Yes
27	Other Corporate Governance Requirements	Yes
46(2)(b) to (i)	Website	Yes

**Disclosures with respect to demat suspense account / unclaimed suspense account:**

Sr. No.	Particular	No of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	--	--
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year.	--	--
3	Number of shareholders to whom shares were transferred from suspense account during the year	--	--
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	--	--
5	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	--	--

**ANNEXURE I TO THE DIRECTOR'S REPORT**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
 As on financial year ended on 31.03.2019

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	10th January, 1995
3.	Name of the Company	MOHINDRA FASTENERS LIMITED
4.	Category/Sub-Category of the Company	Public Company, Limited by Shares, (Manufacturing) 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	2599	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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3417600	13100	3430700	64.04	3524800	37900	3562700	66.51	02.47
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	212000	165000	377000	7.04	212000	-	212000	3.96	-3.08
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1) :-</b>	<b>3629600</b>	<b>178100</b>	<b>3807700</b>	<b>71.08</b>	<b>3736800</b>	<b>37900</b>	<b>3774700</b>	<b>70.47</b>	<b>-0.61</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2) :-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>3629600</b>	<b>178100</b>	<b>3807700</b>	<b>71.08</b>	<b>3736800</b>	<b>37900</b>	<b>3774700</b>	<b>70.47</b>	<b>-0.61</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>19600</b>	<b>19600</b>	<b>0.37</b>	<b>-</b>	<b>19600</b>	<b>19600</b>	<b>0.37</b>	<b>-</b>

<b>2. Non-Institutions</b>									
<b>a) Body Corporates-</b>									
i) Indian	58000	22000	80000	1.49	61000	22000	83000	1.55	0.06
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals-</b>									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	156682	315100	471782	8.80	191300	333400	524700	9.80	0.99
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	916718	40900	957618	17.88	933700	-	933700	17.43	-0.45
<b>c) Others-</b>									
Hindu Undivided Family & IEPF	20100	-	20100	0.38	21100	-	21100	0.39	0.01
<b>Sub-total (B)(2):-</b>	<b>1151500</b>	<b>378000</b>	<b>1529500</b>	<b>28.55</b>	<b>1207100</b>	<b>355400</b>	<b>1562500</b>	<b>29.17</b>	<b>0.61</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1151500</b>	<b>397600</b>	<b>1549100</b>	<b>28.92</b>	<b>1207100</b>	<b>375000</b>	<b>1582100</b>	<b>29.53</b>	<b>0.61</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4781100</b>	<b>575700</b>	<b>5356800</b>	<b>100</b>	<b>4943900</b>	<b>412900</b>	<b>5356800</b>	<b>100</b>	-

**B) Shareholding of Promoter/Promoter Group:-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019		
		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	Deepak Arneja	421000	7.86	-	570900	10.66	-
2	Anurag Arneja	450800	8.42	-	580100	10.83	-
3	Ravinder Mohan Juneja	484650	9.05	-	505350	9.43	-
4	Ranbir Singh Narang	403700	7.54	-	428500	8.00	-
5	Sudhir Arneja	283700	5.30	-	392400	7.33	-
6	JP Singh Narang	186000	3.47	-	210700	3.93	-
7	Kanpur Delhi Goods Carriers Ltd.	212000	3.96	-	212000	3.96	-
8	Dheeraj Juneja	157100	2.93	-	157100	2.93	-
9	Livleen Singh Narang	151700	2.83	-	151700	2.83	-
10	Jatinder Kaur Narang	144300	2.69	-	144300	2.69	-
11	Manmeen Kaur Narang	78400	1.46	-	78400	1.46	-
12	Gagandeep Singh Narang	65300	1.22	-	65300	1.22	-
13	Divya Malik	65000	1.21	-	65000	1.21	-
14	Neera Arneja	40800	0.76	-	40800	0.76	-
15	Gobind Preet Singh Narang	40000	0.75	-	40000	0.75	-
16	Kawaljit Kaur Narang	29000	0.54	-	29000	0.54	-

## MOHINDRA FASTENERS LIMITED

17	Prateek Arneja	26700	0.50	-	26700	0.50	-
18	Ritu Arneja	21000	0.39	-	21000	0.39	-
19	Indra Juneja	17000	0.32	-	17000	0.32	-
20	Monica Arneja	15850	0.30	-	15850	0.30	-
21	Late Nayna Rajesh Raigala	10000	0.19	-	10000	0.19	-
22	Late Chetan V. Sanghvi	10000	0.19	-	10000	0.19	-
23	Late Krishan Lal Chhabra	2500	0.05	-	2500	0.05	-
24	Late. Sh. Shyam L Raheja	100	0.00	-	100	0.00	-
25	C.V. Trading & Investment Co. Pvt. Ltd.	165000	3.08	-	-	-	-
26	Mukesh Arneja	280100	5.23	-	-	-	-
27	Simi Arneja	32000	0.60	-	-	-	-
28	Mrinal Arneja	14000	0.26	-	-	-	-
<b>Total</b>		<b>3807700</b>	<b>71.08</b>	<b>-</b>	<b>3774700</b>	<b>70.47</b>	<b>-</b>

### C) Change in Promoters'/Promoter group Shareholding:-

Sr. No.	Particulars	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the year 31.03.2019	
		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>3807700</b>	<b>71.08</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	(33000)	(0.616)
3	<b>At the end of the year</b>	<b>3774700</b>	<b>70.47</b>	-	-

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

Sr. No.	Name of the Promoters/ Member of Promoter Group	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	*C.V. Trading & Investment Co. Pvt. Ltd.	165000	3.08	Sale	19-11-2018	(20600)	(0.38)	144400	2.70
2	*Anurag Arneja	450800	8.42	Purchase	19-11-2018	20600	0.38	471400	8.80
3	*C.V. Trading & Investment Co. Pvt. Ltd.	144400	2.70	Sale	19-11-2018	(41200)	(0.77)	103200	1.93
4	*Deepak Arneja	421000	7.86	Purchase	19-11-2018	41200	0.77	462200	8.63

5	*C.V. Trading & Investment Co. Pvt. Ltd.	103200	1.93	Sale	19-11-2018	(20700)	(0.39)	82500	1.54
6	*Ravinder Mohan Juneja	484650	9.05	Purchase	19-11-2018	20700	0.39	505350	9.44
7	*C.V. Trading & Investment Co. Pvt. Ltd.	82500	1.54	Sale	19-11-2018	(24800)	(0.46)	57700	1.08
8	*Ranbir Singh Narang	403700	7.54	Purchase	19-11-2018	24800	0.46	428500	8.00
9	*C.V. Trading & Investment Co. Pvt. Ltd.	57700	1.08	Sale	19-11-2018	(24700)	(0.46)	33000	0.62
10	*Jatinder Pal Singh Narang	186000	3.47	Purchase	19-11-2018	24700	0.46	210700	3.93
11	**C.V. Trading & Investment Co. Pvt. Ltd.	33000	0.62	Sale	21-11-2018	(16500)	(0.31)	16500	0.31
12	**C.V. Trading & Investment Co. Pvt. Ltd.	16500	0.31	Sale	21-11-2018	(16500)	(0.31)	Nil	N.A.
13	#Mukesh Arneja	280100	5.23	Sale	03-11-2018	(62700)	(1.17)	217400	4.06
14	#Sudhir Arneja	283700	5.30	Purchase	03-11-2018	62700	1.17	346400	6.47
15	##Simi Arneja	32000	0.60	Sale	03-11-2018	(32000)	(0.60)	Nil	N.A.
16	##Sudhir Arneja	346400	6.47	Purchase	03-11-2018	32000	0.60	378400	7.07
17	#Mukesh Arneja	217400	4.06	Sale	30-11-2018	(108700)	(2.03)	108700	2.03
18	#Deepak Arneja	462200	8.63	Purchase	30-11-2018	108700	2.03	570900	10.66
19	#Mukesh Arneja	108700	2.03	Sale	29-12-2018	(108700)	(2.03)	Nil	N.A.
20	#Anurag Arneja	471400	8.80	Purchase	29-12-2018	108700	2.03	580100	10.83
21	^Mrinal Arneja	14000	0.26	Sale	01-01-2019	(14000)	(0.26)	Nil	N.A.
22	^Sudhir Arneja	378400	7.07	Purchase	01-01-2019	14000	0.26	392400	7.33

\*This includes (a) inter-se transfers of 132,000 shares from C.V. Trading & Investment Co. Pvt. Ltd. to Mr. Anurag Arneja, Mr. Deepak Arneja, Mr. Ravinder Mohan Juneja, Mr. Ranbir Singh Narang & Mr. J. P. Singh Narang;

\*\*This includes (b) 33,000 shares transfers from C.V. Trading & Investment Co. Pvt. Ltd. to Mr. Ashwani Kumar & Mr. Vishesh Kumar through off-market transfers.

#This include (a) inter-se transfers of 280,100 shares from Mr. Mukesh Arneja to Mr. Sudhir Arneja, Mr. Deepak Arneja & Mr. Anurag Arneja.

##This includes inter-se transfers of 32000 shares from Ms. Simi Arneja to Mr. Sudhir Arneja.

^This includes inter-se transfers of 14000 shares from Mr. Mrinal Arneja to Mr. Sudhir Arneja.

## MOHINDRA FASTENERS LIMITED

### 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	N.A.	No Change in shareholding during the year		859400	16.04
2	Sumu Financial Services Pvt. Ltd.	62000	1.16	N.A.	No Change in shareholding during the year		62000	1.16
3	Rajesh Jain	30000	0.56	N.A.	No Change in shareholding during the year		30000	0.56
4	Bank of India A/C BOI Mutual Fund	19600	0.37	N.A.	No Change in shareholding during the year		19600	0.37
5	Hita Chetan Sanghvi	18400	0.34	N.A.	No Change in shareholding during the year		18400	0.34
6	Investor Education & Protection Fund	18100	0.34	Unclaimed shares transferred into IEPF Authority dated 30.10.2018	500*	0.01	18600	0.35
7	Sohan Lal Verma	16318	0.30	Not holding top ten shareholders position as on 31.03.2019.				
8	Naresh Arora	12000	0.22	Not holding top ten shareholders position as on 31.03.2019.				
9	Davinder Kumar	10500	0.20	Not holding top ten shareholders position as on 31.03.2019.				
10	Zircon Finance & Leasing Pvt. Ltd.	10000	0.19	Not holding top ten shareholders position as on 31.03.2019.				
11	Vishesh Kumar**	Nil	N.A.	Purchase	16500	0.31	16500	0.31
12	Ashwani Kumar**	Nil	N.A.	Purchase	16500	0.31	16500	0.31
13	Rajiv Batra**	Nil	N.A.	Purchase	12000	0.22	12000	0.22
14	Shakuntala Anil Kumar Merchant	11000	0.21	N.A.	No Change in shareholding during the year		11000	0.21

\* 500 shares were transferred to IEPF Fund during the FY 2018-19, relating to FY 2010-11 pursuant to the section 124(6) of the Companies Act, 2013 read with IEPF rules made thereunder and any other provisions as may be applicable.

\*\* Not been Part of top ten shareholders as on 01.04.2018. They purchased physical shares of the company through off-market.

**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 shareholding	Reason	Cumulative Shareholding during the Year/At the end of Year (01.04.2018 to 31.03.2019)	
		No. of shares at the beginning (01.04.2018)/ end (31.03.2019) of the year	% of total shares of the company				No. of shares	% of total shares of the company
<b>DIRECTORS &amp; KEY MANAGERIAL PERSON</b>								
1	Mr. Vinod Kumar (Independent Director)	2000	0.04	01.04.2018	No change in shareholding during the year	N.A.	2000	0.04
				TO				
		2000	0.04	31.03.2019				
2	Mr. Deepak Arneja (Managing Director)	421000	7.86	01.04.2018	*149900	Purchase	570900	10.66
				To				
		570900	10.66	31.03.2019				
3	Mr. Ravinder Mohan Juneja (Managing Director)	484650	9.05	01.04.2018	**20700	Purchase	505350	9.43
				To				
		505350	9.43	31.03.2019				
4	Mrs. Shamoli Thakur (Women Independent Director)	NIL Shareholding, Since her appointment						
5	Mrs. Anjali Malik (Women Independent Director)	NIL Shareholding, Since her appointment						
6	Mr. Gagan deep Singh Narang (Non-Executive Director)	65300	1.22	01.04.2018	No change in shareholding during the year	N.A.	65300	0.00
				To				
		65300	1.22	31.03.2019				
7	Mr. Ved Prakash Chaudhry	Nil	N.A.	01.04.2018	100	Purchase	100	0.00
				To				
		100	0	31.03.2019				
8	Mr. Sunil Mishra (Chief Financial Officer)	500	0.01	01.04.2018	No change in shareholding during the year	N.A.	500	0.01
9	Ms. Nidhi Pathak (Company Secretary)	NIL Shareholding, Since her appointment						

**Note:-** Mrs. Shamoli Thakur has been appointed as Independent Women Director w.e.f August 03, 2018, in order to fill the intermittent vacancy caused by the resignation of Mrs. Anjali Malik, non-executive Independent Director resigned w.e.f June 01, 2018.

\* Purchase of 42,100 shares from C.V Trading Investment Co. Pvt. Ltd. and 107,800 shares from Mr. Mukesh Arneja through inter-se transfer of shares amongst promoters.

\*\*Purchase of 20,700 shares from C.V Trading Investment Co. Pvt. Ltd. through inter-se transfer of shares amongst promoters.

## MOHINDRA FASTENERS LIMITED

### 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	2411.77	200.00	-	2611.77
ii) Interest due but not paid	-	-	-	Nil
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>-</b>	<b>2613.86</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	633.41	200.00	-	833.41
<b>Net Change</b>	<b>-633.41</b>	<b>-200.00</b>	<b>-</b>	<b>-833.41</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1780.45	-	-	1780.45
ii) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1780.45</b>	<b>-</b>	<b>-</b>	<b>1780.45</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR FY 2018-19.

#### 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	34,28,418	32,60,418	66,88,836
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,28,418	32,60,418	66,88,836
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(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>	<b>34,28,418</b>	<b>32,60,418</b>	<b>66,88,836</b>
	<b>Ceiling as per the Act</b>	<b>Rs. 1,26,69,898 (10% of the net profits of the Company for the year ended March 31, 2019 computed as per Section 198 of the Companies Act, 2013.)</b>		

**B. Remuneration to other directors (Including Independent and Non Executive Directors) for attending Board Meetings.**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Vinod Kumar	Ved Prakash Chaudhry	Anjali Malik	Shamoli Thakur	Gagandeep Singh Narang	
1	<b>Non Executive Directors</b>	Independent	Independent	Independent	Independent	Non-Independent	
	<b>Fee for attending board/committee meetings</b>	20000	25000	-	-	20000	65000
	<b>Commission</b>						
	<b>Others, please specify</b>						
	<b>Total (B)</b>	<b>20000</b>	<b>25000</b>	<b>-</b>	<b>-</b>	<b>20000</b>	<b>65000</b>
	<b>Total Managerial Remuneration(A+B)</b>	<b>Rs. 67,53,836 (Rupees Sixty Seven Lakhs Fifty Three Thousand Eight Hundred and Thirty Six Only)</b>					
	<b>Overall Ceiling as per the Act</b>	<b>Rs. 1,39,36,887 (11% of the net profits of the company for the year ended March 31, 2019 computed as per section 198 of the Companies Act, 2013.)</b>					

Note:- Mrs. Shamoli Thakur has been appointed as Independent Women Director w.e.f August 03, 2018, in order to fill the intermittent vacancy caused by the resignation of Mrs. Anjali Malik, non-executive Independent Director resigned w.e.f June 01, 2018.

**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>	23,60,418	6,68,418	30,28,836
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	23,60,418	6,68,418	30,28,836
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	-	-	-
	<b>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</b>	-	-	-
2	<b>Stock Option</b>	-	-	-
3	<b>Sweat Equity</b>	-	-	-
4	<b>Commission</b>	-	-	-
	<b>- as % of profit</b>	-	-	-
	<b>others, specify...</b>	-	-	-
5	<b>Others, please specify</b>	-	-	-
	<b>Total</b>	<b>23,60,418</b>	<b>6,68,418</b>	<b>30,28,836</b>

Note: Remuneration in the point VI(A)(B)&(C) are the gross amounts per annum.

## **MOHINDRA FASTENERS LIMITED**

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### **VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES [During FY 2018-19]:**

During the year ended March 31, 2019, 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.

**By Order of the Board**

**Place: New Delhi**

**Dated: 06<sup>th</sup> August, 2019**

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

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

**STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The information required under Section 197 of the Companies Act 2013 and the Rules made there-under, in respect of employees of the Company are as follows:-

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19 are as follows:

Name of Director/KMP	Designation	Ratio of remuneration of each director/to median remuneration of employees	% increase in remuneration in the financial year 2018-2019
Mr. Ravinder Mohan Juneja	Managing Director	13.99	10.65
Mr. Deepak Arneja	Managing Director & CEO	13.99	10.65
Mr. Gagandeep Singh Narang*	Non- Executive Director	0.96	N.A.
Mr. Vinod Kumar*	Non-executive Independent Director	0.96	N.A.
Mr. Ved Prakash Chaudhry*	Non-executive Independent Director	1.20	N.A.
Mrs. Anjali Malik*	Non-executive Independent Director	N.A.	N.A.
Mrs. Shamoli Thakur*	Non-executive Independent Director	N.A.	N.A.
Mr. Sunil Mishra	Chief Financial Officer	N.A.	11.94
Ms. Nidhi Pathak	Company Secretary	N.A.	15.36

Note: Mrs. Shamoli Thakur has been appointed as Independent Women Director w.e.f August 03, 2018, in order to fill the intermittent vacancy caused by the resignation of Mrs. Anjali Malik, non-executive Independent Director resigned w.e.f June 01, 2018.

\*All the non-executive directors of the Company were not paid any remuneration other than sitting fees for attending the meetings of the Board of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees are based on sitting fees only and percentage increase in remuneration of each Director of the company for non-executive directors are not provided.

- (ii) The median remuneration of employees of the Company during the financial year 2018-19 was **Rs. 20800** on the basis of monthly remuneration of all employees except the executive directors of the company and there was an increase of **11.98%** in the median remuneration of the total Employees.
- (iii) **The number of Permanent Employees on the Rolls of Company as on 31st March, 2019 was 361.**
- (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;**

## MOHINDRA FASTENERS LIMITED

The average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was **4.99%** whereas the increase in the managerial remuneration for the same financial year was **11.24%**. Managerial personnel include Managing Directors, CFO and CS.

The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also as per the market trend.

**(v) Affirmation that the remuneration is as per the Remuneration Policy of the Company;**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**(vi) During the financial year 2018-19, no employee received remuneration in excess of highest paid Director.**

**STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

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

1. During the financial year 2018-19, 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 2018-19 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 2018-19 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 2018-19, 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. Sunil Mishra (Chief Financial Officer)	1,95,000	Pay Roll	B.COM, LLB  More than 33 years of Experience	11/1/1996  57 years	-	500	-
2.	Mr. Dheeraj Juneja (G.M.(Supply Chain Management))	1,81,500	Pay Roll	Senior Secondary  16 years of Experience	10/1/2000  37 years	RR Metal Finishers	157100	Son of Mr. Ravinder Mohan Juneja (Managing Director)
3.	Mr. Prateek Arneja (G.M (Sales And Marketing))	1,77,500	Pay Roll	MBA in Marketing  15 years of Experience	11/1/2005  37 years	SKOL Breweries Limited	26700	-

4.	Mr. Anurag Arneja (Director-Marketing)	1,76,000	Pay Roll	Graduate in Arts  28 years of Experience	4/1/2014  52 years	MSPL, Delhi	580100	-
5.	Mr. Sudhir Arneja (Director-Operation)	1,69,900	Pay Roll	B.com & M.A.  41 years of Experience	4/1/1999  64 years	MSPL, Delhi	392400	Brother Mr. Deepak Arneja (Managing Director)
6.	Anil Kumar Verma (A.G.M.(Q.A))	1,54,700	Pay Roll	Diploma in Mechanical Engineering  26 years of Experience	2/4/2014  48 years	LPS Ltd., Rohtak	100	-
7.	Mr. Robins T. Perumpanany (SR. Manager (Prod.))	1,42,000	Pay Roll	3 years Diploma in Tools & die  33 years of Experience	09/11/2017  53 years	UPS Ltd Rohtak	-	-
8.	Mr. Ramesh Tukaram Ranade (Manager (ENGG & T.M.S))	1,10,000	Pay Roll	B.E (Production)  26 Years of Experience	07/20/2018  52 Years	Dham Fasteners Pvt. Ltd.	-	-
9.	Mr. R. Srinivasan (A.G.M.)	1,09,000	Retainer-ship	B.SC.  40 Years of Experience	08/01/2017  62 Years	Caparo Fasteners Bhiwadi	100	-
10.	Mr. Suman Kumar Jha (Sr. Manager (PPC ))	1,05,000	Pay Roll	B.Sc Chem. (Hons.)  20 Years of Experience	10/10/2018  45 Years	Viraj Profiles Limited	-	-

**Note:** The above mentioned salary or remuneration details of employees or managerial personnel have been taken on the basis of their last drawn monthly gross salary excluding bonus amount of FY 18-19 for easy and fair calculations.

**By Order of the Board**

**Place: New Delhi**  
**Dated: 06<sup>th</sup> August, 2019**

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

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

**DECLARATION OF INDEPENDENCE**

17<sup>th</sup> May, 2018

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**

14<sup>th</sup> May, 2018

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**

12<sup>th</sup> May, 2018

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 Chaudhry**, 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 Chaudhry**

**DIN: 07572208**

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

**Paschim Vihar, Delhi-110087**

**DECLARATION OF INDEPENDENCE**

03<sup>rd</sup> August, 2018

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, **Shamoli Thakur**, hereby certify that I consent to act as a Non-executive Independent women Director of Mohindra Fasteners Limited, R/o. 304 Gupta Arcade, Inder Enclave Delhi-Rohtak Road New-Delhi-1100087, and comply with all the criteria of independent director as envisaged in 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, I have/had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent of his total income or such amount as may be prescribed, with the company, 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—
  - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:  
Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two percent of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
  - (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of 50 Lakh rupees, at any time during the two immediately preceding financial years or during the current financial year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount of Fifty Lakhs rupees, at anytime during the two immediately preceding financial years or during the current financial year; or
  - (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- 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;  
“Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.”

- 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 non-profit 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 in to such relationship/transactions.

Further, I do hereby declare and confirm that the above said information's 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,**

**Shamoli Thakur**

**DIN: 08189763**

**House No 62, Sector 17 A,**

**Gurgaon-122001, Haryana**

**ANNEXURE IV**  
**TO THE DIRECTOR'S REPORT**  
**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(For the financial year ended 31st March 2019)**

**[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 Board of Director**

**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 31st day of March, 2019, (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 31st Day of March, 2019 (audit period) according to the provisions of:

- I. The Companies Act, 2013 (the Act) including any amendment thereto 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 including any amendment thereto
  - 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;
- 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 (Delisting of Equity Shares) Regulations, 2009; and
- d) 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, 31st March 2019 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 including any amendment thereto.

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. ***One of the earlier promoter/shareholder of the company had filed a complaint against the company on various grounds and the company had filed a compounding application in response to that matter. The above said matter is under jurisdiction of the office of the Registrar of Companies, NCT of Delhi and Haryana, so, we hereby, would abstain from any comment in the matter till the compounding application has finally been settled. As of today, the earlier promoter is neither a shareholder nor a promoter of the company.***

**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.

## MOHINDRA FASTENERS LIMITED

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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.

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

1. The company had reclassified its promoter's group shareholding by way of reclassification or removal of the name of promoters & member of promoter group from the promoter & promoter group category shareholders.
2. Ms. Anjali Malik, Independent Director has resigned from the Company w.e.f 01/06/2018 and Ms. Shamoli Thakur has been appointed as a Non Executive Independent Director w.e.f 03/08/2018 under review.
3. The board has approved the revision in the validity or tenure of appointment Mr. Ravinder Mohan Juneja, Managing Director of the company. The members of the company have passed the special resolution through postal ballot process in the month of May 2019.
4. The Company has made re-appointment of Chief Financial Officer (CFO) of the company during the financial year under review.
5. According to the report of Statutory Auditor of the company, the company has prepared its financial statements with comply with Ind-AS.

**Date: 18/07/2019**

**Place: Delhi**

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

**Anand Kumar Singh  
(Partner)  
M. No A24881  
CP No- 9404**

***\*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 Board of Director**  
**MOHINDRA FASTENERS LIMITED**  
**304 Gupta Arcade, Inder Enclave**  
**Delhi-Rohtak Road, New Delhi-110087**

**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.

**Date:- 18/07/2019**

**Place: Delhi**

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

**Anand Kumar Singh**  
**(Partner)**  
**M. No- 24881**  
**CP No- 9404**

**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 of the company)	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 of the Company)	Office or Place of Profit	As per the Agreement.	As per the Agreement.	N.A	N.A

**Note:**

Since, above RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board of directors 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. There was no material related party contract or arrangement or transaction during the year.

**By Order of the Board**

**Place: New Delhi**

**Dated: 06<sup>th</sup> August, 2019**

**(Deepak Arneja)**

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

**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**

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

The Company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimise consumption. Some of the specific measures undertaken by the Company in this direction have been implemented at all the Company's Plants and Offices.

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

- A Central Air reservoir has been created which draws Air from all the compressors and distribute it to the user machines as per the need.
- In order to make best use of day light, transparent roof sheets are installed.
- Constant monitoring of energy consumption and further requisite follow-up.
- In off –hours, lights in work premises is kept off.
- 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.
- Installation of energy efficient ceiling fans.
- Phase wise change of plant lighting system to LED to reduce power consumption.
- Partial replacement of conventional light fittings with energy efficient LED for Godown lighting, street lighting and plant lighting.

These measures have also led to power saving, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

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.**

- Saving cost of fuel.
- 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 18-19 was 8.19 in comparison of 7.98 in previous year.
- The rate per litre for fuel consumption for the FY 18-19 was 68.08 in comparison of 57.73 in previous year.
- The rate per kilogram for gas consumption for the FY 18-19 was 52.89 in comparison of 48.37 in previous year.

**(B) TECHNOLOGY ABSORPTION**

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

- In house product development team works on product improvement, import substitution and new products.
- 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:**

- New product development.
- 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.

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:

(₹ in Lakhs)

<b>Foreign exchange earnings</b>	<b>8357.27</b>
<b>Foreign exchange expenditure</b>	<b>1349.57</b>

The details or bifurcation of the same can be seen in the note no. 38, 39 & 40 of the financial statements.

**By Order of the Board**

Place: New Delhi

Dated: 06<sup>th</sup> August, 2019

(Deepak Arneja)

DIN: 00006112

Chairman Cum

Managing Director & CEO

**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') recognizes the impact it has among communities in which it operates and believes that it has a responsibility to improve and enrich the lives of these communities and play a part in their social &amp; economic development and environmental sustainability. With its dedicated and focused approach, the Company has been contributing its time expertise and resources to help local communities. The Company is committed to focus its CSR activities in and around the areas in which it operates and would support activities in areas beyond on a case to case basis.</p> <p>As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been and will continue to focus on issues relating to healthcare, education &amp; skill development and environment sustainability.</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>i. Making a positive impact on society through economic development and reduction of our resource footprints;</li> <li>ii. 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 CSR Policy adopted 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>Nitya Foundation</b>" a registered Society (Non-Profit Organisation) registered under Society Registration Act, 1860, having registered office at H-28, 1st Floor, Om Complex, Laxmi Nagar, Delhi-110092.</p>
<p>2.The Composition of the CSR Committee</p>	<ol style="list-style-type: none"> <li>1. Mr. Deepak Arneja (Chairman cum Managing Director &amp; CEO)</li> <li>2. Mr. Ravinder Mohan Juneja (Managing Director)</li> <li>3. Mr. Vinod Kumar (Non Executive Independent Director)</li> </ol>
<p>3.Details of implementing agency</p>	<p>"<b>Nitya Foundation</b>" situated at H-28, 1st Floor, Om Complex, Laxmi Nagar, Delhi-110092.</p>
<p>4.Average net profit of the company for last three financial years</p>	<p>Rs. 7,79,21,357 (Rupees Seven Crores Seventy Nine Lakhs Twenty One Thousand Three Hundred and Fifty Seven only)</p>
<p>5.Prescribed CSR Expenditure (two percent of the amount as in item 4 above)</p>	<p>Rs. 15,58,427 (Rupees Fifteen Lakhs Fifty Eight Thousand Four Hundred &amp; Twenty Seven only)</p>
<p>6.Details of CSR spent during the financial year:</p>	
<p>(a) Total amount to be spent for the financial year;</p>	<p>Rs. 15,58,427 (Rupees Fifteen Lakhs Fifty Eight Thousand Four Hundred &amp; Twenty Seven only) during Financial Year 2018-19.</p>
<p>(b) Amount unspent, if any;</p>	<p>NIL</p>
<p>(c) Manner in which the amount spent during the financial year is detailed below.</p>	<p>The manner in which the amount is spent is annexed with this Annexure.</p>

<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.</p>	<p>Not Applicable, Since no unspent amount.</p>
<p>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.</p>	<p>“CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.”</p>

**By Order of the Board**

**Place: New Delhi**

**Dated: 06<sup>th</sup> August, 2019**

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

## MOHINDRA FASTENERS LIMITED

### Annexure to the Point 6(c)

Sr. No.	Particulars	Details
(1)	CSR project or activity identified	Ensuring environmental sustainability, and Eradicating hunger & poverty
(2)	Sector in which the project is covered	Financial Assistance for Tree Plantation to promote afforestation and protect the environment by planting fruit/timber trees along with existing farming land as source of additional livelihood support for farmer families of Muzaffarpur, Bihar to help them rise above the poverty line on a sustainable basis in which farmers shall be provided plants for their additional income.
(3)	Projects or Programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Other:- Muzaffarpur, Bihar
(4)	Total Amount Outlay (budget project or Programme wise)	Rs. 15,58,427 (Rupees Fifteen Lakhs Fifty Eight Thousand Four Hundred & Twenty Seven only).
(5)	Total Amount spent on the project or Programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Rs. 15,58,427 (Rupees Fifteen Lakhs Fifty Eight Thousand Four Hundred & Twenty Seven only).
(6)	Total Cumulative expenditure up to the reporting period	Rs. 15,58,427 (Rupees Fifteen Lakhs Fifty Eight Thousand Four Hundred & Twenty Seven only)
(7)	Amount Spent direct or through implementing agency	Through Implementing agency called " <b>Nitya Foundation</b> ".

By Order of the Board

Place: New Delhi  
Dated: 06<sup>th</sup> August, 2019

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

**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 2018–2019.

**OVERVIEW**

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

The company owes its success to its lean manufacturing operations and dedication to quality at every step. The passion to serve its customers with the best has successfully translated to significant market share both in the domestic and the overseas market.

With the customers support and company's focused approach MFL has exhibited rapid growth patterns in the past and is confident of achieving more in future.

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 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**

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% (Source: World Economic Outlook by International Monetary Fund (IMF)). During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets. The Global economic growth is expected to slow down from 3.6% in 2018 to under 3% in 2019, due to increasing trade tensions between US and China, uncertainty related to Brexit and decline in business and consumer confidence across economies. However, the economy is expected to pick up in the second half of next year and as such global economic growth is expected to return to over 3% in 2020.

The Indian GDP grew at 7.0% in the fiscal year 2018-19 as against 6.6% in 2017-18. The Indian economy had an impressive start with a healthy 8.2% growth in the first quarter on the back of strong domestic consumption and a healthy service sector. However growth eased to 7.3% (Source: IMF) in the latter part of the year. The easing of stimulus measures in the US and a rally in oil prices caused the dollar outflows from the emerging economies. Towards the end of Q3 in 2018-19, the manufacturing sector and the automotive sector started showing signs of sluggishness. Uncertainties pertaining to BS VI norms, Government's intention of going green in the Automotive segment (2W & Passenger Car), rising fuel, interest & insurance costs which led to increase in cost of ownership of the vehicle, added more to the sluggishness.

**INDUSTRIAL STRUCTURE AND DEVELOPMENT**

The global industrial fasteners industry is considered to be highly fragmented and is competitive in nature, with small and large scale manufacturing companies operating in the United States, China, Japan, Germany and India.

The market is expected to reach a value of INR 7,706 Billion by 2023, expanding at a CAGR of 6.5% from 2018 (Source: ResearchAndMarkets.com). Rising demand for fasteners in the automotive industry, coupled with an

## **MOHINDRA FASTENERS LIMITED**

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increase in construction and manufacturing spending in emerging countries like China, Brazil, Saudi Arabia, Australia, Indonesia and India, is expected to drive the demand for industrial fasteners during the forecast period.

Asia-Pacific was the largest market for fasteners in 2017, accounting for a major share of the fasteners manufactured globally. The major reason for this growth can be attributed to the increasing number of construction activities and growing automobile manufacturing in countries like China and India. Europe is one of the largest markets for industrial fasteners apart from being the second largest industrial fasteners manufacturing region in the world. However, lack of product differentiation and elasticity of prices of raw materials such as alloys, stainless steel and copper are hindering the growth of the market.

Owing to its application in diverse sectors, a wide range of fasteners are manufactured in the Indian market, which include exhaust bolts, balance wheel bolts, standard hexagon screws/bolts, socket head cap screws, socket shoulder screws, weld nuts, square nuts, hexagon nuts, self-tapping screws and others. With help from the Indian government's 'Make in India' initiative, the Indian manufacturing sector is expected to generate huge demand for the industrial fasteners market.

The Indian industrial fasteners market is expected to reach a value of INR 460 Billion by 2023 expanding at a CAGR of 9.6% from 2018 (Source: ResearchAndMarkets.com). Fastener companies usually sell their products in India through various distribution channels- distributors, direct dealers, online channels and industrial events. De-licensing of the industry is facilitating the entry of major global manufacturers in the Indian market. The majority of fasteners that were imported by India in FY 2018 was other screws and bolts, whether or not with their nuts or washers followed by other non-threaded articles and threaded nuts.

### **OPPORTUNITIES**

The Indian industrial fasteners market is segmented on the basis of application, product type and the organization of the market. The Indian automotive sector is the largest consumer of industrial fasteners, followed by engineering, railways & construction industries.

Increasing sale of automobiles in India is significantly driving the growth of the auto ancillary market in the country, including automobile sector-specific fasteners. Growing usage of fasteners for manufacturing automotive parts such as engines, chassis, moulding, suspension system and wheels among others, is expected to drive the growth of the Indian industrial fasteners market during the forecast period.

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**

- Spurious and low quality fastener affects longevity adversely, and may result in accidents with catastrophic consequences.
- Poor availability of skilled labour and expensive technologies is one of the threats which exist for Indian Fastener Sector.
- The Price increase/decrease 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 severe competition from South East Asian Countries such as China, Taiwan, Malaysia, Vietnam & Thailand.

### **CHALLENGES**

The price of steel in India is influenced by demand-supply forces and international prices. The increasing prices of raw materials like these, which are used in the manufacture of industrial fasteners, reduce profitability.

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.
- 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.
- Experience and highly skilled workforce.

### **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 is entering an era of great opportunities. With the government in place with a better majority and visionary leadership, the country is potentially on the threshold of a historic leap reforms and innovative policies aimed at enabling businesses to grow job to be generated on a massive scale. A big focus is being made on Construction & Railways & other infrastructure.

India is expected to remain the world's fastest growing large economy in 2019-20, with a GDP growth rate of 7.3%. Lower oil prices, softening interest rates and expected structural policy reforms will further strengthen our economy. The Indian economy remains well placed to achieve robust growth on the back of a stable government, favorable policies, lower inflation rates and increasing government spending on infrastructure and the rural sectors. However, trade uncertainty, global economic slowdown and volatile market conditions may pose a challenge.

The global industrial fasteners market is expected to reach a value of INR 7,706 Billion by 2023, expanding at a CAGR of 6.5% from 2018. Rising demand for fasteners in the automotive industry, coupled with an increase in construction and manufacturing spending in emerging countries like China, Brazil, Saudi Arabia, Australia, Indonesia and India, is expected to drive the demand for industrial fasteners during the forecast period.

Owing to its application in diverse sectors, a wide range of fasteners are manufactured in the Indian market, which include exhaust bolts, balance wheel bolts, standard hexagon screws/bolts, socket head cap screws, socket shoulder screws, weld nuts, square nuts, hexagon nuts, self-tapping screws and others. With help from the Indian government's 'Make in India' initiative, the Indian manufacturing sector is expected to generate huge demand for the industrial fasteners market.

The Indian industrial fasteners market is segmented on the basis of application, product type and the organization of the market. The Indian automotive sector is expected to be the largest consumer of industrial fasteners, accounting for a major share of the market by 2023. This will be because of owing to increased automotive manufacturing in the country. It is followed by the construction and the engineering sector.

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.

## MOHINDRA FASTENERS LIMITED

### **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 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 31st March, 2019, the top 10 customers accounted for approximately 65% (approx.) of all the receivables outstanding. At 31st 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 31st March analyzed by the length of time past due, are:

(₹ in Lacs)

Trade Receivables	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
More than 180 days	135.53	155.89
Not More than 180 days	2481.97	2089.82

#### **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.

#### **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. 36 to Ind AS Financial Statement)

#### **e) Equity price risk**

The Company's investments are in listed 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. 12.55 Lacs (31<sup>st</sup> March, 2018: Rs. 16.68 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 at an optimum level with an optimal mix of short term loans and long term loans. The company does not have any long term debt outstanding as on 31.03.2019. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. 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 (Long term):

(₹ in Lacs)

Year ended 31 <sup>st</sup> March, 2019	Less than 180 days	More than 180 days
Interest-bearing borrowing	Nil	Nil
Other financial liabilities	Nil	Nil
Trade Payables	2103.43	0.76

(₹ in Lacs)

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

**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.

As a process, the systems and controls are benchmarked with the industry standards and are suitably modified to meet the organization's requirements.

Standard Operating Procedures have been developed for all the key business transactions in order to ensure accuracy and consistency of accounting and reporting of transactions. Internal audit checks are done periodically to evaluate the relevance and adequacy of the checks and internal controls.

The Management and the Audit Committee, on an on-going basis, review the internal controls. For all the transactions covering operations, inventory, fixed assets, financial records and compliance to statutory requirements, existing internal controls provide adequate assurance to the management.

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

Operating Revenue:

During the year under review, the total revenue from operations of the Company has increased by **18.33%** from **Rs. 113,94.20 Lakhs to Rs. 134,83.37 Lakhs** as compared to previous year.

Financial Performance:

Steel is one of the principal raw materials used by the company. The domestic steel prices increased steadily during the first half of the year. The price support received from the customers has partially offset the steel price increase suffered during the year. However the steel prices started softening from the 4th Quarter of 2018-19. Due to preventive measures taken by the company over the years, power availability remained constant and costs have been within our control. Manpower costs increased in line with general inflation and the rise in minimum wages and dearness allowance.

## MOHINDRA FASTENERS LIMITED

During the year, PBIDT (Profit before interest, depreciation and tax) was at **Rs. 1726.01 Lakhs as against Rs. 1368.18 Lakhs** in the previous year, an increase of **26.15%**. The operating margin has improved as a result of growth in the volume, favorable exchange rates, stable operating costs and improved product portfolio.

Financing costs amounted to **Rs. 127.36 Lakhs as against Rs. 157.10 Lakhs** in the previous year. The **18.93%** decrease in finance costs is attributed to lower level of borrowings and additionally your company has debt free borrowings.

The Profit before tax (PBT) of the Company is **Rs. 1,203.36 Lakhs** as compared to previous year figure of **Rs. 910.48 Lakhs**. The increase in profit before tax as compared to previous year is **over 32.17%**.

### **DETAILS OF SIGNIFICANT CHANGES**

Details of significant changes as required under SEBI (LODR) Regulations, 2015 are as under:

Sr. No.	Key Ratios	Unit of measurement	As on 31 <sup>st</sup> March, 2019	As on 31 <sup>st</sup> March, 2018	Significant Changes compared with previous year i.e. 25% or more
1	Debtors Turnover	Days	66.92	69.50	N.A.
2	Inventory Turnover	Days	63.94	82.57	N.A.
3	Interest Coverage Ratio	Times	10.45	6.80	N.A.
4	Current Ratio	Times	1.51	1.37	N.A.
5	Debt Equity Ratio	Times	0.34	0.59	N.A.
6	Operating Profit Margin (%)	%	10.37	9.87	N.A.
7	Net Profit Margin (%)	%	7.09	5.58	N.A.

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Particulars	As on 31 <sup>st</sup> March, 2019	As on 31 <sup>st</sup> March, 2018
Return on Net worth	23.14	20.64

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

The company believes that Human Resources are its key assets. The total number of employees of the company is three hundred and sixty one. The company's HR policy focuses on developing the skill and competencies of all the employees, facilitating team work and total employee involvement, providing a happy work environment to the employees and support to their families and remaining a socially responsible company contributing to the society.

Learning is given the utmost importance in the company. Training programs focus on improving employees' current skills and competencies as well as developing them for their future roles as part of their career development. The company ensures overall development of every employee and all inputs are provided to reach the expert level of their skill and competency. The training methodology includes both classroom training as well as contemporary learning methodologies like outbound training and e-learning.

In the Company, HR processes are aligned to make employees feel that they are a part of the company family. The company creates the platform for employees to voice their opinion and make suggestions to improve the working environment. The company maintains regular communication with employees to make them feel connected with the company and perform their jobs most effectively.

Your Company has established an organization structure that is agile and focused on delivering business results. The company focuses on inculcating the habit of continuous improvement and motivating employees to participate in improvement activities for the organisation. The company nurtures a participative culture by promoting "Total Employee Involvement". The company continues to maintain its record of industrial harmony.

**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 that could affect the Company's operations include a downtrend in the automobile industry - global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, foreign currency fluctuations and interest costs.

**By Order of the Board**

**Place: New Delhi**

**Dated: 06<sup>th</sup> August, 2019**

**(Deepak Arneja)**

**DIN: 00006112**

**Chairman Cum**

**Managing Director & CEO**

**ANNEXURE “A” TO THE CORPORATE GOVERNANCE REPORT**  
**CEO/CFO CERTIFICATION-UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015**  
**COMPLIANCE CERTIFICATE**

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 31st March, 2019 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.

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

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

**Place: New Delhi**  
**Dated: 30<sup>th</sup> May, 2019**

**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, 2019, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

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

The Company’s management is responsible for compliance of conditions of Corporate Governance requirements as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above mentioned Listing Regulations.

**Auditor’s Responsibility**

Pursuant to the requirements of the above mentioned Listing Regulations, 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.

We conducted our examination of the corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under the Section 143 (10) of the Companies Act, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the 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 per regulations 17 to 27, clause (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable.

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

**Place: Delhi**

**Dated: 06<sup>th</sup> August, 2019**

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

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

To,  
The Members of Mohindra Fasteners Limited

**DECLARATION TO THE MEMBERS PURSUANT TO SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Deepak Arneja, Managing Director & CEO of the company, hereby declare that all Board members and Senior Management personnel have affirmed compliance with the Code of Business Conduct and Ethics formulated by the Company for the financial year ended March 31, 2019.

Place: New Delhi  
Dated: 06<sup>th</sup> August, 2019

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

**ANNEXURE “D” TO THE CORPORATE GOVERNANCE REPORT**  
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
 The Members  
 MOHINDRA FASTENERS LIMITED  
 304 Gupta Arcade, Inder Enclave,  
 Delhi-Rohtak Road, New Delhi-110087

We have examined the relevant registers, records, forms, returns and disclosures provided by the Directors of **Mohindra Fasteners Limited**, having **CIN L74899DL1995PLC064215** to the company, having registered office at 304 Gupta Arcade, Inder Enclave Delhi-Rohtak Road, New Delhi-110087 (hereinafter referred to as ‘the Company’), and as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that **none of the Directors on the Board of the Company as stated below as on the 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.**

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Deepak Arneja	00006112	10/01/1995
2.	Mr. Ravinder Mohan Juneja	00006496	10/01/1995
3.	Mr. Gagandeep Singh Narang	00179636	15/02/2016
4.	Mr. Vinod Kumar	02303504	21/12/2013
5.	Mr. Ved Prakash Chaudhry	07572208	30/07/2016
6.	Ms. Shamoli Thakur	08189763	03/08/2018

**For Anand Nimesh & Associates**  
**Company Secretaries**

**Place: Delhi**  
**Dated: 18<sup>th</sup> July, 2019**

**Anand Kumar Singh**  
**(Partner)**  
**M. No. -24881**  
**COP No.: 9404**



## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of,  
MOHINDRA FASTENERS LIMITED**

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

#### **Opinion**

We have audited the accompanying financial statements of MOHINDRA FASTENERS LIMITED, ("the company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations furnished to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India;

- a) of the State of affairs of the Company as at March 31, 2019;
- b) of the Profit and total comprehensive income for the year ended on that date;
- c) of the Changes in Equity for the year ended on that date; and
- d) of the Cash Flows for the year ended on that date.

#### **Basis for opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## INDEPENDENT AUDITOR'S REPORT (Contd.)

### Revenue recognition See Note 23 to the financial statements:

S. NO.	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
1.	<p>Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.</p> <p>Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax etc. Accumulated experience is used to estimate the provision for discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.</p> <p>There is a risk of revenue being overstated due to fraud, including through manipulation of rebates and discounts, resulting from pressure the management may feel to achieve performance targets at the reporting period end.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"><li>• We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards.</li><li>• We tested the design, implementation and operating effectiveness of management's general IT controls and key application controls over the Company's IT systems which govern revenue recognition, including access controls, controls over program changes, interfaces between different systems and key manual internal controls over revenue recognition to assess the completeness of the revenue entries being recorded in the general ledger accounting system.</li><li>• We perform substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents, which included goods, goods dispatch notes and shipping documents.</li><li>• We inspected, on a sample basis, key customer contracts to identify terms and conditions relating to goods acceptance and rebates and assessing the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards.</li><li>• We performed cut off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the current period.</li></ul>



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

**Provision for taxation, litigation and other significant provisions**

**See Note 17, 21 and 22 to the financial Statements:**

S. NO.	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
2.	<p>Accrual for tax and other contingencies requires the Management to make judgments and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, claims, general legal proceedings, environmental issues and other eventualities arising in the regular course of business.</p> <p>The key judgement lies in the estimation of provisions where they may differ from the future obligations. By nature, provision is difficult to estimate and includes many variables. Additionally, depending on timing, there is a risk that costs could be provided inappropriately that are not yet committed.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>We tested the effectiveness of controls around the recognition of provisions.</li> <li>We used subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</li> <li>We challenged the assumptions and critical judgments made by management which impacted their estimate of the provisions required, considering judgments previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias.</li> <li>We discussed the status in respect of significant provisions with the Company's internal tax and legal team.</li> <li>We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li> </ul>

**Assessment of contingent liabilities relating to litigations and claims**

**See Note 34 to the financial statements:**

S. NO.	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
3.	<p>The Company is periodically scrutiny the matters relating to direct tax and indirect tax further, potential exposures may also arise from general legal proceedings, environmental issues etc. in the normal course of business.</p> <p>Assessment of contingent liabilities disclosure requires Management to make judgments and estimates in relation to the issues and exposures. Whether the liability is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as liability, is inherently subjective.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>We tested the effectiveness of controls around the recording and re-assessment of contingent liabilities.</li> <li>We used our subject matter experts to assess the value of material contingent liabilities in light of the nature of exposures, applicable regulations and related correspondence with the authorities.</li> <li>We discussed the status and potential exposures in respect of significant litigation and claims with the Company's internal legal team including their views on the likely outcome of each litigation and claim and the magnitude of potential exposure and sighted any relevant opinions given by the Company's advisors.</li> <li>We assessed the adequacy of disclosures made.</li> <li>We discussed the status in respect of significant provisions with the Company's internal tax and legal team.</li> <li>We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li> </ul>



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

### **Information other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and Cash Flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India,

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decision of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.



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

### **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), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the act, as amended;  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. 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 financial statements—Refer note no. 34 to the 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

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

Place: New Delhi  
Date: 30.05.2019



**ANNEXURE-"A" TO INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, DELHI FOR THE YEAR ENDED 31ST MARCH, 2019**

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, 2019

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.
  - 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.
4. The company has not accepted any deposit within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
5. 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.
  - (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Duty of Custom, Income Tax, Goods and Service Tax, 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, Duty of Custom, Goods and Service Tax and Cess were in arrears, as at 31st March 2019 for a period of more than six months from the date they became payable.
6. 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.
7. According to the records provided to us,
  - (a) the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Duty of Custom, Income Tax, Goods and Service Tax, Cess and other statutory dues to the appropriate authorities
  - (b) 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
8. 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.



**ANNEXURE-"A" TO INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, DELHI FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd.)**

9. 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.
10. The company is not a Nidhi company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
11. (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. 35 to the financial statements.
12. 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.
13. 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 and hence Provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
14. 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

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

Place: New Delhi  
Date: 30.05.2019



**ANNEXURE-"B" TO INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, DELHI FOR THE YEAR ENDED 31ST MARCH, 2019**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of Our Report to the members of Mohindra Fasteners Limited of even date)**

**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, DELHI ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**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;



**ANNEXURE-"B" TO INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, DELHI FOR THE YEAR ENDED 31ST MARCH, 2019 (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 authorizations of management and directors of the Company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2019, 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

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

Place: New Delhi  
Date: 30.05.2019

**MOHINDRA FASTENERS LIMITED**Balance Sheet as at 31<sup>st</sup> March, 2019

(₹ in Lacs)

Particulars	Note	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(i) Property Plant & Equipments	5	3133.93	3351.38
(ii) Intangible Assets	5	9.14	12.72
(iii) Financial Assets			
(a) Investments	6	12.55	16.68
(b) Others	7	99.17	100.82
(iv) Other Non Current Assets	8	53.97	36.57
<b>(2) Current Assets</b>			
(i) Inventories	9	2123.01	2569.43
(ii) Financial Assets			
(a) Trade Receivables	10	2617.50	2245.71
(b) Cash and Cash Equivalents	11	533.80	659.51
(c) Bank Balance other than mentioned Cash and Cash Equivalents	11	10.89	8.83
(d) Others	12	2.99	4.38
(iii) Other Current Assets	13	1091.38	841.29
<b>Total (Assets)</b>		<b>9688.33</b>	<b>9847.32</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(i) Equity Share Capital	14	535.68	535.68
(ii) Other Equity		4664.99	3875.66
<b>(2) Non-Current Liabilities</b>			
(i) Financial Liabilities			
(a) Borrowings	15	0.00	437.39
(ii) Provisions	16	0.00	39.54
(iii) Deferred Tax Liabilities (Net)	17	251.10	345.57
<b>(3) Current Liabilities</b>			
(i) Financial Liabilities			
(a) Borrowings	15	1780.45	2174.38
(b) Trade Payables	18	2104.18	2117.70
(c) Other Financial Liabilities	19	35.26	43.75
(ii) Other Current Liabilities	20	193.48	200.79
(iii) Provisions	21	107.52	72.62
(iv) Current Tax Liabilities (Net)	22	15.68	4.24
<b>Total (Equity &amp; Liabilities)</b>		<b>9688.33</b>	<b>9847.32</b>

Notes 1 to 44 form an integral part of these financial statements

As per our Report of even date

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

For &amp; 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**  
(Managing Director & CEO)  
DIN : 00006112

Place: New Delhi  
Date: 30.05.2019

**Nidhi Pathak**  
(Company Secretary)

Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2019



(₹ in Lacs except EPS)

Particulars	Note	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Continuing Operations</b>			
Revenue from operations	23	13483.37	11394.20
Other Income	24	68.88	155.33
<b>Total Revenue</b>		<b>13552.25</b>	<b>11549.53</b>
<b>Expenses:</b>			
Cost of Materials Consumed	25	5181.10	4159.50
Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade	26	150.43	128.39
Excise Duty on sale of goods	-	0.00	164.60
Employee Benefits Expense	27	2184.40	2002.51
Finance Costs	28	127.36	157.10
Depreciation and Amortization Expense	29	395.29	300.60
Other Expenses	30	4310.31	3726.35
<b>Total Expenses</b>		<b>12348.89</b>	<b>10639.05</b>
<b>Profit before exceptional items and tax</b>		<b>1203.36</b>	<b>910.48</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>1203.36</b>	<b>910.48</b>
<b>Tax expense:</b>			
Current Tax	31	373.49	290.00
Deferred Tax Liability/(Assets)		(80.52)	17.39
<b>Profit for the year</b>		<b>910.39</b>	<b>603.09</b>
<b>Other comprehensive income</b>	32		
<b>Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement gains/(losses) on defined benefit plans		35.21	(56.92)
(b) Income tax effect on above		13.95	(0.59)
(c) Fair value gains/(losses) on Equity Instruments		(4.14)	4.53
(d) Income tax effect on above		-	-
<b>Total Other comprehensive income</b>		<b>45.02</b>	<b>(52.98)</b>
<b>Total comprehensive income for the year</b>		<b>955.41</b>	<b>550.11</b>
(Comprising Profit and Other Comprehensive Income for the year)			
<b>Earnings per equity share:</b>			
Basic	33	17.00	11.26
Diluted		17.00	11.26

Notes 1 to 44 form an integral part of these financial statements

As per our Report of even date

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  
(Managing Director & CEO)  
DIN : 00006112

Place: New Delhi  
Date: 30.05.2019

Nidhi Pathak  
(Company Secretary)

# MOHINDRA FASTENERS LIMITED

Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2019

A. Equity Share Capital		(₹ in Lacs)				
Particulars	As at 01 <sup>st</sup> April 2017	"Changes in equity share capital during the year"	As at 31 <sup>st</sup> March 2018	Changes in equity share capital during the year	As at 31 <sup>st</sup> March 2019	
Equity Share Capital	535.68	-	535.68	-	535.68	
B. Other Equity		(₹ in Lacs)				
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
			Other Reserves	Equity Instruments	Other Items	
<b>Balance as at 1<sup>st</sup> April 2017</b>	<b>230.00</b>	<b>5.74</b>	<b>83.09</b>	<b>3135.60</b>	<b>-0.10</b>	<b>3465.10</b>
Profit for the year	0	0	0	603.09	0	603.09
Re-measurement of gain/(loss) on defined benefit Plans (Net of Tax)	0	0	0	0	0	-56.33
Fair value gain/(loss) of equity instruments through	0	0	0	0	4.53	0
Other Comprehensive Income (Net of tax)	0	0	0	0	0	0
Less: Dividend of 16-17 paid in 17-18	0	0	0	-120.53	0	0
Less: CDT of 16-17	0	0	0	-24.54	0	0
Less: Excess/(Short) Provision of Previous Year	0	0	0	4.34	0	0
<b>Balance as at 31<sup>st</sup> March 2018</b>	<b>230.00</b>	<b>5.74</b>	<b>83.09</b>	<b>3597.96</b>	<b>15.30</b>	<b>3,875.66</b>
Profit for the year	0	0	0	910.39	0	910.39
Re-measurement of gain/(loss) on defined benefit Plans (Net of Tax)	0	0	0	0	0	49.16
Fair value gain/(loss) of equity instruments through	0	0	0	0	-4.14	0
Other Comprehensive Income (Net of tax)	0	0	0	0	0	0
Less: Dividend of 17-18 paid in 18-19	0	0	0	-133.92	0	0
Less: CDT of 17-18	0	0	0	-27.53	0	0
Less: Excess/(Short) Provision of Previous Year	0	0	0	-4.64	0	0
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>230.00</b>	<b>5.74</b>	<b>83.09</b>	<b>4342.26</b>	<b>11.16</b>	<b>4,664.99</b>
<b>Notes 1 to 44 form an integral part of these financial statements</b>						

As per our Report of even date

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)

Deepak Arneja  
(Managing Director & CEO)

Place: New Delhi  
Date: 30.05.2019

Nidhi Pathak  
(Company Secretary)

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019



(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>A. Cash Flow from Operating Activities</b>		
Profit/(Loss) before tax	1203.36	910.48
Adjustment to reconcile net income in net cash provided by Operating Activities		
Depreciation and amortisation	395.29	300.60
(Profit)/ Loss on Sale of Fixed Assets (Net)	(3.26)	(0.40)
Finance Costs	127.36	157.10
Interest Income	(34.59)	(27.31)
Dividend Income	(0.08)	(0.08)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>1688.09</b>	<b>1340.39</b>
Adjustments for (increase)/ decrease in operating assets:		
- Inventories	446.42	(81.67)
- Trade and Other Receivables/other assets	(601.04)	(488.37)
Adjustments for increase/ (decrease) in operating Liabilities:		
- Trade & Other Payables/liabilities	(36.02)	155.46
<b>Cash generated from Operations</b>	<b>1497.45</b>	<b>925.80</b>
Taxes Paid (Net)	(366.69)	(282.83)
<b>Net Cash generated from Operating Activities (A)</b>	<b>1130.76</b>	<b>642.97</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital Expenditure on Fixed Assets	(176.94)	(112.28)
Proceeds from sale of Fixed Assets	5.93	6.43
Interest Income	34.59	27.31
Dividend Income	0.08	0.08
<b>Net Cash generated from Investing Activities (B)</b>	<b>(136.34)</b>	<b>(78.46)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds/(Repayment) of Long Term Borrowings (Net)	(637.18)	(223.61)
Proceeds/(Repayment) of Short term Borrowings (Net)	(194.14)	327.78
Finance Cost Paid	(127.36)	(157.10)
Dividends Paid	(133.92)	(120.53)
Dividend Distribution Tax Paid	(27.53)	(24.54)
<b>Net Cash generated from Financing Activities (C)</b>	<b>(1120.13)</b>	<b>(197.99)</b>
Net increase in cash and cash equivalents	<b>(125.71)</b>	<b>366.52</b>
Cash and Cash Equivalents at the Beginning of the Year	<b>659.51</b>	<b>292.99</b>
Cash and Cash Equivalents at the End of the Year*	<b>533.80</b>	<b>659.51</b>

## **MOHINDRA FASTENERS LIMITED**

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019 (Contd.)**

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**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

**Notes 1 to 44 form an integral part of these financial statements**

As per our Report of even date

**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**  
**(Managing Director & CEO)**  
**DIN : 00006112**

**Place: New Delhi**  
**Date: 30.05.2019**

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

### 1. Corporate Information

Mohindra Fasteners Limited (“MFL” or “the Company”) is incorporated in India under the provisions of the Companies Act, 1956 and its shares are listed but not publicly traded in the Metropolitan Stock Exchange of India Limited (‘MSEI’).

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

### 2. Basis of Preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

**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, 2019 (including comparatives) are duly approved by the Board of directors at their board meeting held on May 30, 2019.

### 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 discount. The revenue excludes GST.

##### i. Sale of Products:

Revenue from sale of products is recognized 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 recognized 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 up to the date the asset is ready for its intended use.

However, cost excludes GST formerly known as 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 recognized 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

## **MOHINDRA FASTENERS LIMITED**

### **Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)**

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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 discounts and rebates less accumulated amortization/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs and any cost directly attributable to bringing the assets to its working condition for the intended use, Net changes on foreign exchange contracts and adjustments arise from exchange rate variations attributable to intangible assets.

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

Gain 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 assets and are recognized in the statement of profit and loss when the assets is derecognized.

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 exceed sits 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.

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

### Recognition, initial measurement and derecognition:

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are recognized at their transaction value as the same do not contain significant financing component.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognized at their transaction and services availed value as the same do not contain significant financing component.

### Financial Assets Classification and subsequent measurement of financial assets:

- i. For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at those to be measured subsequently at fair value either through other comprehensive income (Fair Value Through Other Comprehensive Income-FVTOCI)

#### Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. This election is made on an instrument-by-instrument (i.e., share-by-share) basis.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

- ii. **Impairment of financial assets:**

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

- iii. **Trade receivables**

An impairment loss should be regarded as incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition (a 'loss event').

- iv. **Derecognition of financial assets**

A financial asset is derecognised only when;

- a. The Company has transferred the rights to receive cash flows from the financial asset or
- b. The Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company examines and assesses whether it has transferred substantially all risk and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

# MOHINDRA FASTENERS LIMITED

Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

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## Financial Liabilities

### i. Classification, subsequent measurement and derecognition of financial liabilities

#### a. Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. The Company's financial liabilities include borrowings, trade and other payables.

Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method

#### b. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## 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 inequity.

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 losses 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. Re-measurements 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
- 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. The Company is liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognizes such contributions and shortfall, if any, as an expense in the year in which it is incurred.

During the year, however, there was no short fall in the fund asset or in the specified minimum rate of return.

Bonus Payable:

The Company recognizes a liability and an expense for bonus. The Company recognizes 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

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

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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 recognized 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 recognize contingent assets. If it is virtually certain then they will be recognized 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 share holders 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 three 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 three 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 which by and large have applications in Automobile Industry 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 capitalized 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. 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.

b. 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.

c. 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.

# MOHINDRA FASTENERS LIMITED

Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

(₹ in Lacs)

## Note : 5 Property, Plant & Equipments

Particulars	Gross Block			Depreciation & Amortization			Net Block		
	As at 01-04-2018	Adj./ Add.	Adj./ Ded.	As at 31-03-2019	As at 01-04-2018	Adj./ Add.	Adj./ Ded.	As at 31-03-2019	As at 31-03-2018
<b>Tangible Assets:</b>									
<b>Own Assets</b>									
Industrial Freehold Land	825.07	0.00	-	825.07	0.00	0.00	-	825.07	825.07
Buildings	754.18	0.00	-	754.18	300.00	22.01	-	432.18	454.18
Plant & Machinery	5333.55	164.50	-	5498.05	3349.08	330.47	-	1818.50	1984.46
Furniture & Fittings	86.36	1.50	-	87.86	64.52	5.03	-	18.31	21.84
Motor Vehicles	75.61	7.47	31.07	52.01	51.47	7.00	28.40	21.94	24.14
Office Equipment	73.02	2.79	-	75.81	44.62	18.43	-	12.76	28.40
Computers and Data Processing Units	109.41	0.68	-	110.09	96.13	8.79	-	5.18	13.28
<b>Sub Total (A)</b>	<b>7257.20</b>	<b>176.94</b>	<b>31.07</b>	<b>7403.07</b>	<b>3905.82</b>	<b>391.72</b>	<b>28.40</b>	<b>3133.93</b>	<b>3351.38</b>
<b>Intangible Assets</b>									
Computer Software	46.88	-	-	46.88	34.16	3.58	-	9.14	12.72
<b>Sub Total (B)</b>	<b>46.88</b>	<b>-</b>	<b>-</b>	<b>46.88</b>	<b>34.16</b>	<b>3.58</b>	<b>-</b>	<b>9.14</b>	<b>12.72</b>
(Previous Figure)	6335.25	979.13	10.31	7304.08	3645.16	294.82	-	3364.10	2690.09
<b>Capital Work-in-progress</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>
<b>Sub Total (C)</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>
(Previous Figure)	865.36	-	865.36	0.00	0.00	-	-	0.00	865.36
<b>Total (A+B+C)</b>	<b>7304.08</b>	<b>176.94</b>	<b>31.07</b>	<b>7449.95</b>	<b>3939.98</b>	<b>395.29</b>	<b>28.40</b>	<b>3143.08</b>	<b>3364.10</b>

**Note : 6 Non-Current Investments**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>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)	1.79	2.00
3000 (PY 3000) Equity Shares of Rs. 2/- (PY Rs.2/-) each in Sterling Tools Limited ( Fully Paid )	8.52	12.30
400 (PY 400) Equity Shares of Re. 1/- (PY Re. 1/-) each in Sundram Fasteners Limited (Fully Paid)	2.22	2.32
150 (PY 150) Equity Shares of Rs. 10/- (PY Rs.10/-) each in Lakshmi Precision Screws Ltd. (Fully Paid)	0.02	0.06
	<b>12.55</b>	<b>16.68</b>
<b>Total</b>	<b>12.55</b>	<b>16.68</b>
<b>Other Information</b>		
<b>Quoted Investments</b>		
Market Value	12.55	16.68
Note : Figures in ( ) are in respect of previous year		

**Note : 7 Others**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(Unsecured, considered good)</b>		
Security Deposits	99.17	100.82
<b>Total</b>	<b>99.17</b>	<b>100.82</b>

**Note : 8 Other Non Current Assets**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(Unsecured and Considered good)</b>		
Defined Benefits Plans - Gratuity*	14.39	0.00
Leave Encashment**	3.95	1.42
Balance with Revenue Authorities	35.63	35.15
<b>Total</b>	<b>53.97</b>	<b>36.57</b>

\* Refer Note No. 27.1(b)(i)

\*\* Refer Note No. 27.1(b)(ii) and it includes LIC Leave Adjustment

## MOHINDRA FASTENERS LIMITED

Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

### Note : 9 Inventories

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Raw Material	543.50	696.08
Work-in-Progress	280.54	454.43
Finished Goods	627.71	603.89
Consumables,Stores, Tools,Spares & Packing Material	661.64	768.96
Scrap	4.49	4.86
Goods-in-Transit	5.13	41.21
<b>Total</b>	<b>2123.01</b>	<b>2569.43</b>

### Note 9.1.: Goods in Transit includes the followings:

(₹ in Lacs)

Raw Material	-	41.21
Consumables,Stores,Tools, Spares & Packing Material	5.13	-
<b>Total</b>	<b>5.13</b>	<b>41.21</b>

### Note : 10 Trade Receivables

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>(Unsecured, Considered good)</b>		
Outstanding for more than six months	135.53	155.89
Others	2481.97	2089.82
<b>Total</b>	<b>2617.50</b>	<b>2245.71</b>

### Note : 11 Cash & Cash Equivalent

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Balances with Banks (Current Account)	43.02	28.97
Cash on Hand	1.74	2.43
Fixed Deposit with Bank**	489.03	628.11
<b>Total</b>	<b>533.80</b>	<b>659.51</b>

**Note : 11 Bank balance other than above mentioned Cash & Cash Equivalents**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Earmarked Balances with Banks (Unpaid Dividend Account)	10.89	8.83
<b>Total (B)</b>	<b>10.89</b>	<b>8.83</b>
<b>Total (A)+(B)</b>	<b>544.68</b>	<b>668.34</b>

\*\*Fixed Deposit with bank includes deposits of Rs. 200.00 Lacs (Previous year Rs. 250.00 Lacs) pledged with bank as Margin Money for Letter of Credit issued by them.

\*\*Fixed Deposit with bank includes deposits of Rs. 319.03 Lacs (Previous year Rs. 290.00 Lacs) with maturity of more than 12 Months

**Note : 12 Others**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Security Deposits	1.35	0.91
Interest Accrued But Not Yet Due	1.64	3.47
<b>Total</b>	<b>2.99</b>	<b>4.38</b>

**Note : 13 Other Current Assets**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Advance to Suppliers	0.58	10.60
Balance With Revenue Authorities	1066.87	792.90
Advance to Others	10.35	12.71
Prepaid Expenses	7.43	4.13
Receivable from employees	6.15	20.95
<b>Total</b>	<b>1091.38</b>	<b>841.29</b>

**MOHINDRA FASTENERS LIMITED**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)**Note : 14 Share Capital**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>AUTHORIZED SHARE CAPITAL</b>		
6500000 Equity Shares of Rs. 10/- each. (P.Y. 6500000 Equity Shares of Rs. 10/- each)	650.00	650.00
5500000 Non Convertible Cumulative Preference Shares of Rs. 10/- each. (P.Y. 5500000 Non Convertible Cumulative Preference Shares of Rs. 10/- each.)	550.00	550.00
	1200.00	1200.00
<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)	547.13	547.13
<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)	535.68	535.68
<b>Total</b>	<b>535.68</b>	<b>535.68</b>
<b>a) The Reconciliation of the Number of Equity Shares</b>		
	No of Shares	No of Shares
Balance at the begning of the year	5356800	5356800
Add:- Issued Shares During the Year	-	-
<b>Balance at the end of the Year</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.

d) Details of Shareholders holding more than 5% Shares as at 31 <sup>st</sup> March, 2019 and 31 <sup>st</sup> March, 2018 are as follows:	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Name of Shareholders</b>		
Deepak Arneja		
No of Shares	570900	421000
(% of Shares held)	10.66	7.86
Ravinder Mohan Juneja		
No of Shares	505350	484650
(% of Shares held)	9.43	9.05
Anurag Arneja		
No of Shares	580100	450800
(% of Shares held)	10.83	8.42
Ranbir Singh Narang		
No of Shares	428500	403700
(% of Shares held)	8.00	7.54
Sudhir Arneja		
No of Shares	392400	283700
(% of Shares held)	7.33	5.30
Mukesh Arneja		
No of Shares	0	280100
(% of Shares held)	0	5.23
Kanta Devi		
No of Shares	859400	859400
(% of Shares held)	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 preceding the financial year ended 31<sup>st</sup> March, 2019.
- 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) Final dividends on shares are recorded as a liability on the date of approval by the shareholders. The amount of per share dividend recognized as distribution to equity shareholders is as follows :

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Final dividend for fiscal 2018	2.50	-
Final dividend for fiscal 2017	-	2.25

The Board of Directors of the company, at its meeting on May 30, 2019 recommended a final dividend of Rs. 3.00 per equity share for the financial year ended March 31, 2019. This equity dividend payment is subject to approval by shareholders at the ensuing Annual General Meeting of the Company and has not been included as a liability in these financial statements. The total equity dividend to be paid is Rs. 193.74 Lacs including dividend distribution tax of Rs. 33.04 Lacs.

## MOHINDRA FASTENERS LIMITED

Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

### g) 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, 2019	As at 31 <sup>st</sup> March, 2018
Borrowings	1780.45	2611.77
Cash and cash equivalents	(533.79)	(659.51)
<b>Capital (A)</b>	<b>1246.66</b>	<b>1952.26</b>
Total Equity	5200.66	4411.34
<b>Overall Financing (B)</b>	<b>5200.66</b>	<b>4411.34</b>
<b>Gearing Ratio C=(A/B)*100</b>	<b>23.97</b>	<b>44.26</b>

### Note : 15 Borrowings (Current/Non-Current)

(₹ in Lacs)

Particulars	Current Portion		Non Current Portion	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Secured</b>				
<b>Term Loans</b>				
- From Bank				
- Foreign Currency Loan (Buyers Credit)*	0.00	177.16	0.00	177.16
- Indian Rupee Loan**	0.00	22.63	0.00	60.23
<b>Working Capital Loans</b>				
- Overdraft (Indian Rupees Loan)#	639.90	576.11	0.00	0.00
- Foreign Currency Loan (PCFC)##	1140.55	1199.58	0.00	0.00
- Foreign Currency Loan (Buyers Credit)###	0.00	198.90	0.00	0.00
<b>Total</b>	<b>1780.45</b>	<b>2174.38</b>	<b>0.00</b>	<b>237.39</b>
<b>Unsecured</b>				
<b>Loans and advances from related parties</b>				
- From Directors	0.00	0.00	0.00	100.00
- From Corporates	0.00	0.00	0.00	100.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>200.00</b>
<b>Total</b>	<b>1780.45</b>	<b>2174.38</b>	<b>0.00</b>	<b>437.39</b>

**\*Note:** The foreign Currency Term Loan (Buyers Credit) {Current Year balance NIL} (Previous Year balance Rs.354.31 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 balance NIL) (Previous Year balance Rs. 82.86 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.

**#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 @10.60%.

**##Note:** The outstanding balance is repayable on demand and carries interest @Libor+200 BPS.

**###Note:** Foreign currency loan (buyers credit) Rs. Nil (Prev.Year 198.90 Lacs ) arranged from overseas Bank for Raw Material and Letter of comfort has been issued by Karnataka Bank Limited.

#### Note : 16 Provisions

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Provision for Defined Benefit Obligations (Gratuity)*	0.00	39.54
<b>Total</b>	<b>0.00</b>	<b>39.54</b>

\* Refer Note No. 27.1(b)(i)

#### Note : 17 Deferred Tax Liability (Net)

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Deferred Tax Liability	251.10	345.57
<b>Total</b>	<b>251.10</b>	<b>345.57</b>

## MOHINDRA FASTENERS LIMITED

Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

### Note : 17.1

(₹ in Lacs)

Particulars	01 <sup>st</sup> April 2017	Recognised in Other Com- prehensive 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	326.32	0.00	10.55	336.87
Software Expenditure	1.03	0.00	1.13	2.16
Gain / (Loss) on Foreign Exchange Fluctuation	0.00	0.00	5.71	5.71
Provision for employee benefits	1.41	(0.59)	-	0.82
<b>Deferred Tax Liability (A)</b>	<b>328.76</b>	<b>(0.59)</b>	<b>17.39</b>	<b>345.57</b>
Less: Deferred tax asset arising on account of :	0.00	0.00	0.00	0.00
Provision for employee benefits	0.00	0.00	0.00	0.00
<b>Deferred Tax Asset (B)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net (DTA)/DTL</b>	<b>328.76</b>	<b>(0.59)</b>	<b>17.39</b>	<b>345.57</b>

Particulars	01 <sup>st</sup> April 2018	Recognised in Other Com- prehensive Income(OCI)	Recognised of Statement of Profit & Loss	31 <sup>st</sup> March 2019
Deferred tax liability arising on account of : Timing difference between depreciation/ amortization as per financials and depreciation as per tax	336.87	0.00	(77.80)	259.07
Software Expenditure	2.16	0.00	(0.90)	1.26
Gain / (Loss) on Foreign Exchange Fluctuation	5.71	0.00	(1.27)	4.44
Provision for employee benefits	0.82	(13.95)	(0.55)	(13.68)
<b>Deferred Tax Liability (A)</b>	<b>345.56</b>	<b>(13.95)</b>	<b>(80.52)</b>	<b>251.10</b>
Less: Deferred tax asset arising on account of :	0.00	0.00	0.00	0.00
Provision for employee benefits	0.00	0.00	0.00	0.00
<b>Deferred Tax Asset (B)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net (DTA)/DTL</b>	<b>345.56</b>	<b>(13.95)</b>	<b>(80.52)</b>	<b>251.10</b>

### Note : 18 Trade Payables

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Total outstanding dues of Micro enterprises and Small Enterprises*	0.00	0.00
Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	2,104.18	2,117.70
<b>Total</b>	<b>2,104.18</b>	<b>2,117.70</b>

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the “Suppliers” regarding their status under the Act.

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

**Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors**

#### Note : 19 Other Financial Liabilities

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Interest Accured But Not Due on Borrowings	0.00	2.09
Interest Accured & Due on Borrowings	0.00	4.86
*Unclaimed Dividend	10.89	8.83
Sundry Creditors for Capital Expenditures	24.37	27.97
<b>Total</b>	<b>35.26</b>	<b>43.75</b>

\*These figures do not include any amount due & outstanding, to be credited to Investors Education & Protection Fund.

#### Note : 20 Other Current Liabilities

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Statutory Dues	17.77	18.18
Salary,Wages, Bonus & Allowances	171.37	142.22
Other Payables	3.39	3.15
Customer Advances	0.95	37.24
<b>Total</b>	<b>193.48</b>	<b>200.79</b>

**MOHINDRA FASTENERS LIMITED**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)**Note : 21 Provisions**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(a) Provision for Employee Benefits*	0.00	0.00
(b) Provisions - Others		
- Others	107.52	72.62
<b>Total</b>	<b>107.52</b>	<b>72.62</b>

\*Refer Note No. 27.1(b)(i),(ii) and it includes LIC Leave Adjustment

**Note : 22 Current Tax Liabilities (Net)**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
- Provision for Income Tax(Net of Advance Tax and TDS)	15.68	4.24
<b>Total</b>	<b>15.68</b>	<b>4.24</b>

**Note : 23 Revenue from Operations**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>a) Sale of Products</b>		
Finished Product #	12835.82	10814.99
	<b>12835.82</b>	<b>10814.99</b>
<b>b) Other Operating Revenue</b>		
Steel & Scrap Sale #	245.88	258.84
Duty Drawback & Other Export Incentives	401.67	320.37
	<b>647.55</b>	<b>579.21</b>
<b>Total</b>	<b>13483.37</b>	<b>11394.20</b>

Excise Duty on sales 0.00 164.60

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
(a) Details of Product sold		
High Tensile Fasteners #	12835.82	10814.99
(b) Earning in foreign exchange		
Export of goods (FOB) #	8357.27	6174.02

# The Government of India has implemented Goods & Service Tax ("GST") from 1st July, 2017 replacing excise duty, service tax and other indirect taxes. As per Ind AS 18, the revenue for the year ended 31st March, 2019, is reported net of GST. Revenue for the year ended 31st March, 2018 had reported inclusive of excise duty.

**Note : 24 Other Income**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Interest on</b>		
-Fixed Deposits	21.75	26.70
-Other	12.84	0.60
Dividend Income on Long Term Investments	0.08	0.08
Exchange Rate Difference (Net)	5.96	76.44
Other Non Operating Income	28.25	51.51
<b>Total</b>	<b>68.88</b>	<b>155.33</b>

**Note : 25 Cost of Material Consumed**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Inventory at the Beginning of the Year</b>	696.08	578.17
Purchases	5028.52	4277.40
	<b>5724.60</b>	<b>4855.58</b>
<b>Inventory at the End of the Year</b>	543.50	696.08
<b>Total</b>	<b>5181.10</b>	<b>4159.50</b>

**Material Consumed Comprises:**

- Wire Rods	5181.10	4159.50
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**Note : 26 Change in Inventories of Finished Goods, Work in Progress & Stock in Trade**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Inventory at the Beginning of the Year</b>		
Work In progress	454.43	650.43
Finished Goods	608.75	634.69
Less: Excise Duty on finished goods	0.00	93.55
	<b>1063.18</b>	<b>1191.57</b>
<b>Inventory at the End of the Year</b>		
Work In progress	280.54	454.43
Finished Goods	632.20	608.75
	<b>912.74</b>	<b>1063.18</b>
(Increase)/Decrease in Inventory	150.43	128.39

## MOHINDRA FASTENERS LIMITED

Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

### Note : 27 Employee Benefit Expense

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Salaries, Wages, Bonus & Allowances	2066.69	1898.37
Contribution to Provident Fund & Other Funds	67.11	56.00
Staff Welfare Expenses	50.59	48.14
<b>Total</b>	<b>2184.40</b>	<b>2002.51</b>

#### Note:-27.1

- a. Employees benefit expenses including managerial remuneration Rs. 66.88 Lacs (P.Y.Rs. 59.68 Lacs). 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 :-
  - i. 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.
  - ii. Defined Benefit Plan: Gratuity Refer 27.1b(i) and Compensated absences 27.1b(ii)

### Note : 28 Finance Cost

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Interest Expenses	57.69	71.66
Other Borrowing Costs	69.67	85.44
<b>Total</b>	<b>127.36</b>	<b>157.10</b>

### Note : 29 Depreciation & Amortisation Expense

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Depreciation & Amortisation	395.29	300.60
<b>Total</b>	<b>395.29</b>	<b>300.60</b>

**Note : 30 Other Expenses**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Consumption of Stores & Spare Parts	1382.78	1216.65
Power & Fuel Consumed	876.55	830.33
Factory Building Maintenance	27.81	17.79
Repair & Maintenance to Plant & Machinery	139.73	136.66
Insurance Expenses	22.69	19.70
Rates, Taxes & Duties	5.36	19.70
Job Work Expenses	717.01	595.18
Packing Material Consumed	323.04	252.54
Freight Outward	431.53	416.99
Rebate & Discount	94.78	28.49
Payment to Auditors*	5.42	5.96
Corporate Social Responsibility Expenditure (Refer Note 42)	15.58	14.06
Factory Rent**	17.82	16.60
Miscellaneous Expenses (including Contribution To Bhartiya Janta Party(BJP) of Rs. 2 lacs during C.F.Y)	250.21	155.70
<b>Total</b>	<b>4310.31</b>	<b>3726.35</b>

**\*Note :- Payment to Auditors**

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
- Statutory Audit Fees	2.50	2.50
- Tax Audit Fees	0.50	0.50
- Internal Audit Fees	0.50	0.50
- Secretarial Audit Fees	0.50	0.50
- Cost Audit Fees	0.35	0.35
- For Certification Fees	0.50	0.50
- For Reimbursement of Expenses	0.57	1.11
<b>Total</b>	<b>5.42</b>	<b>5.96</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. 17,82,000/- (March 31st, 2018: Rs 16,60,500/-) has been debited to statement of profit and loss accounts.

Details of Leasing Agreement are enumerated under:-

<b>Property taken on lease</b>	" Factory Premises at Rohtak "
<b>Date of termination of lease</b>	31.12.2022
<b>Escalation clause</b>	Yes
<b>Terms of Renewal</b>	Yes
<b>Purchase option</b>	No

**MOHINDRA FASTENERS LIMITED**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)**Note: 31 Tax Expense**

(₹ in Lacs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2019</b>	<b>Year ended 31<sup>st</sup> March, 2018</b>
Income tax recognised in Statement of Profit & Loss		
Current Tax	373.49	290.00
Deferred Tax	(80.52)	17.39
<b>Total income tax expenses recognised in the current year</b>	<b>292.97</b>	<b>307.39</b>

The income tax expenses for the year can be reconciled to the accounting profit as follows:

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2019</b>	<b>Year ended 31<sup>st</sup> March, 2018</b>
Profit before tax	1203.36	910.48
Applicable Tax rate	29.120%	33.063%
Computed Tax Expense	350.42	301.03
<b>Tax effect of:</b>		
Exempted Income	(0.02)	(0.03)
Expenses Disallowed	144.04	17.88
Additional (Allowance)/Disallowance	(120.95)	(28.89)
<b>Current Tax Provision (A)</b>	<b>373.49</b>	<b>290.00</b>
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(78.70)	11.68
Incremental Deferred Tax Liability on account of Financial Assets and Other Items	(1.82)	5.71
<b>Deferred Tax Provision (B)</b>	<b>(80.52)</b>	<b>17.39</b>
Tax expense recognised in Statement of Profit and Loss (A+B)	292.97	307.39
Effective Tax rate	24.346%	33.762%

**Note : 32 Other Comprehensive Income (OCI)**

(₹ in Lacs)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2019</b>	<b>Year ended 31<sup>st</sup> March, 2018</b>
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit	35.21	(56.92)
Income Tax effect	13.95	(0.59)
Net (loss)/gain on equity securities	(4.14)	4.53
Income Tax effect	0.00	0.00
<b>Total</b>	<b>45.02</b>	<b>(52.98)</b>

**Note : 33 Earnings Per Equity Share**

(₹ in Lacs except eps)

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2019</b>	<b>Year ended 31<sup>st</sup> March, 2018</b>
Nominal value of equity share	10.00	10.00
Profit attributable to equity shareholders (A)	910.39	603.09
Weighted average number of equity shares outstanding during the year (B)	5356800	5356800
<b>Basic earnings per equity share (A/B)</b>	<b>17.00</b>	<b>11.26</b>
Dilutive effect on profit (C)	0.00	0.00
<b>Profit attributable to equity shareholders for computing (D)=(A)+( C)</b>	<b>910.39</b>	<b>603.09</b>
Dilutive effect on weighted average number of equity shares outstanding during the year (E)	0.00	0.00
<b>Weighted average number of equity shares for computing Diluted EPS (F)=(B)+(E)</b>	<b>5356800</b>	<b>5356800</b>
<b>Diluted earnings per equity share (D/F)</b>	<b>17.00</b>	<b>11.26</b>

## MOHINDRA FASTENERS LIMITED

Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

### 27.1(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.

(₹ in Thousands)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Net employee benefit expense (recognized in Employee Cost)</b>		
Current Service cost	1,640.00	1,447.00
Interest cost on benefit obligation (Net)	1,249.00	782.00
Expected return on plan assets	(1054.00)	(807.00)
<b>Net benefit expense</b>	<b>1,835.00</b>	<b>1,422.00</b>
<b>Recognised in Other Comprehensive Income (OCI)</b>		
<b>Actuarial (gain)/loss</b>	<b>(4155.00)</b>	<b>5,514.00</b>
<b>Details of Provision for Gratuity</b>		
Defined benefit obligation	14,910.00	16,650.00
Fair value of plan assets	16,350.00	(12696.00)
<b>Plan Liability (adjusted from operating revenue/retained earning)</b>	<b>31,260.00</b>	<b>3,954.00</b>
<b>Changes in present value of the defined benefit obligation are as follows:</b>		
Defined benefit obligation at the beginning of the year	16,650.00	9,777.00
Interest cost	1,249.00	782.00
Current Service cost	1,640.00	1,447.00
Benefits paid	(473.00)	(870.00)
Actuarial loss / (gain) on obligation	(4155.00)	5,514.00
<b>Defined benefit obligation at the year end</b>	<b>14,911.00</b>	<b>16,650.00</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	12,696.00	10,128.00
Expected return	1,054.00	807.00
Contribution by employer	3,072.00	2,631.00
Benefits paid	(473.00)	(870.00)
<b>Fair Value of Plan Assets at the year end</b>	<b>16,349.00</b>	<b>12,696.00</b>
<b>Principal actuarial assumptions used :</b>		
Discount rate (per annum)	7.50%	7.50%
Salary escalation rate	6.00%	6.00%

**27.1(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.

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Recognised in the Statement of Profit and Loss:</b>		
Current Service cost	600.00	575.00
Interest cost on benefit obligation	540.00	482.00
	1,140.00	1,057.00
<b>Recognised in Other Comprehensive Income (OCI)</b>		
Net actuarial (gain)/ loss recognised	(635.00)	1,780.00
	(635.00)	1,780.00
<b>Recognised in the Balance Sheet:</b>		
Defined benefit obligation	7,734.00	6,744.00
Fair value of plan assets	8,117.00	6,804.00
	(383.00)	(60.00)
<b>Principal actuarial assumptions used :</b>		
Discount rate	8.00%	8.00%
Salary escalation rate	6.00%	6.00%

**NOTE: 34 Contingent Liabilities and Commitments (to the extent not provided for):**

- Liabilities on account of foreign letter of credit are Rs. NIL (Previous year Rs. 291.43 Lacs).
- Outstanding Bank Guarantee of Rs. NIL (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: 35 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) List of Key Management Personnel**

Mr. Deepak Arneja	-	Managing Director & CEO
Mr. Ravinder Mohan Juneja	-	Managing Director
Mr. Gagandeep Singh Narang	-	Non Executive director
Mr. Vinod Kumar	-	Non Executive director & Independent Director
Mr. Ved Prakash Chaudhry	-	Non Executive director & Independent Director
Mrs. Shamoli Thakur	-	Non Executive director & Independent Director
Mr. Sunil Mishra	-	Chief Financial Officer
Ms. Nidhi Pathak	-	Company Secretary

**MOHINDRA FASTENERS LIMITED**Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)**ii) Close Family Members of Key Management Personnel who are under the Employment of the Company:**

Mr. Dheeraj Juneja	-	Son of Mr. Ravinder Mohan Juneja
Mr. Sudhir Arneja	-	Brother of Mr. Deepak Arneja

**Details of Related Party Transactions during the year ended 31st March, 2019:**

(₹ in Lacs)

Nature of Transaction	Key Management Personnel &/ Close family member of KMP	Total (Amount in Rs.)
Remuneration	139.73 (125.32)	139.73 (125.32)
Unsecured Loans Taken	0 (75.00)	0 (75.00)
Unsecured Loans Repaid	75.00 (0)	75.00 (0)
Dividend Paid	35.36 (31.81)	35.36 (31.81)
Sitting Fees	0.65 (0.30)	0.65 (0.30)
<b>Balance Outstanding as at the end of the year:</b>		
Remuneration Payable	11.82 (10.65)	11.82 (10.65)
Unsecured Loan Payable	0 (75.00)	0 (75.00)

Note:- The Figures shown above in ( ) are belongs to previous Year

**Disclosure in respect of Related Party Transactions during the year:**

(₹ in Lacs)

Particulars	Relationship	2018-19	2017-18
<b>a) Remuneration: Short Term Employee Benefits:-</b>			
1.Deepak Arneja	Key Management Personnel	34.28	30.88
2.Ravinder Mohan Juneja	Key Management Personnel	32.60	29.20
3.Sudhir Arneja	Close Family Member of Key Management Personnel	20.59	18.75
4.Dheeraj Juneja	Close Family Member of Key Management Personnel	21.98	19.78
5. Sunil Mishra	Chief Financial Officer	23.60	21.05
6. Nidhi Pathak	Company Secretary	6.68	5.66

<b>b) Unsecured Loan taken:</b>			
1. Deepak Arneja	Key Management Personnel	0	25.00
2. Ravinder Mohan Juneja	Key Management Personnel	0	25.00
3. Sudhir Arneja	Close Family Member of Key Management Personnel	0	25.00
<b>c) Unsecured Loans Repaid</b>			
1. Deepak Arneja	Key Management Personnel	25.00	0
2. Ravinder Mohan Juneja	Key Management Personnel	25.00	0
3. Sudhir Arneja	Close Family Member of Key Management Personnel	25.00	0
<b>d) Sitting Fees:</b>			
1. Gagandeep Singh Narang	Key Management Personnel	0.20	0.05
2. Vinod Kumar	Key Management Personnel	0.20	0.05
3. Ved Prakash Chaudhry	Key Management Personnel	0.25	0.20
<b>e) Dividend Paid:</b>			
1. Deepak Arneja	Key Management Personnel	10.53	9.47
2. Ravinder Mohan Juneja	Key Management Personnel	12.12	10.90
3. Gagandeep Singh Narang	Key Management Personnel	1.63	1.47
4. Vinod Kumar	Key Management Personnel	0.05	0.05
5. Sunil Mishra	Key Management Personnel	0.01	0.01
6. Dheeraj Juneja	Close Family Member of Key Management Personnel	3.93	3.53
7. Sudhir Arneja	Close Family Member of Key Management Personnel	7.09	6.38

**Terms and conditions of transactions with related parties**

- Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

**NOTE: 36 Disclosure in respect of Derivative Instruments:**

- a) No Derivates Instruments (Forward Exchange Contract) outstanding as at 31st March, 2019.  
 b) Foreign currency exposures that are not hedged by derivative instruments as at 31st March, 2019:-

(₹ in Lacs)

Particulars	USD	EURO	GBP
<b>Import Trade Payables</b>	<b>2.93</b> (6.48)	- (0.07)	- (-)
<b>Export Trade Receivables</b>	<b>4.63</b> (3.44)	<b>12.09</b> (9.58)	<b>3.51</b> (2.37)
<b>Term Loan (Buyers Credit)</b>	- (5.43)	- (-)	- (-)
<b>Working Capital Loan (Buyers Credit)</b>	- (3.05)	- (-)	- (-)
<b>Working Capital Loan (PCFC) (Including Interest)</b>	<b>3.48</b> (0.93)	<b>11.36</b> (13.77)	<b>0.51</b> (0.68)

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

**NOTE: 37** 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:

(₹ in Lacs)

Particulars	2018-19		2017-18	
	Value	% age	Value	% age
<b>Raw Material</b>				
Imported	1164.91	22.48	784.60	18.86
Indigenous	4016.19	77.52	3374.89	81.14
	<b>5181.10</b>	<b>100.00</b>	<b>4159.50</b>	<b>100.00</b>
<b>Stores, Spare parts and Packing Material</b>				
Imported	168.08	9.85	108.57	7.39
Indigenous	1537.73	90.15	1360.62	92.61
	<b>1705.81</b>	<b>100.00</b>	<b>1469.19</b>	<b>100.00</b>

**NOTE: 38 C.I.F. Value of Imports**

(₹ in Lacs)

Particulars	2018-19	2017-18
Plant & Machinery	133.98	0.00
Raw Material	966.26	792.19
Consumables, Stores & Spares	64.84	29.00
Packing Material	72.54	66.36
Tool & Dies	30.01	26.44

Note:- CIF Value of Imports includes 1% landing Charges as per custom.

**NOTE: 39 Expenditure in Foreign Currency**

(₹ in Lacs)

Particulars	2018-19	2017-18
-Travelling Expenses	14.30	12.92
-Business Promotion & Advertisement	3.93	2.76
-Interest on Buyers Credit	6.15	15.30
- Bank Charges	5.22	4.55
- Interest on PCFC	31.16	37.31
- Commission	21.18	11.06

**NOTE: 40 Earning in Foreign Currency**

(₹ in Lacs)

Particulars	2018-19	2017-18
Exports at FOB Value	8357.27	6174.02

**NOTE: 41 Leases (Operating Lease)**

The Company has taken factory premises at Rohtak on lease. The Lease Agreement is valid till 31<sup>st</sup> December, 2022. Lease Rental amounting to Rs. 17.82/- (March 31<sup>st</sup>, 2018: Rs 16.61/-) has been debited to statement of profit and loss accounts.

The lease rentals charged during the period are as follows:

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Lease Rentals	17.82	16.61

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, 2019	As at 31 <sup>st</sup> March, 2018
Not later than 1 year	18.27	17.82
Later than 1 year but not later than 5 years	55.87	74.13
Later than 5 years	Nil	Nil

**NOTE: 42 Expenditure on Corporate Social Responsibility (CSR)**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
a) Gross amount required to be spent (i.e. 2% of average net profit u/s 198 of the Companies Act, 2013 of last three years)	15.58	14.06
b) Amount spent on:		
i) Construction/ acquisition of any asset	-	-
ii) On purpose other than i) above		
a. eradicating hunger & poverty and ensuring environmental sustainability	15.58	14.06

**NOTE: 43 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.

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019 (Contd.)

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, 2019, the top 10 customers accounted for approximately 65% (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:

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
More than 180 days	135.53	155.89
Not More than 180 days	2481.97	2089.82

#### 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.

#### 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. 36 to Ind AS Financial Statement)

#### e) Equity price risk

The Company's investments are in listed 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. 12.55 Lacs (31<sup>st</sup> March, 2018: Rs. 16.68 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 at an optimum level with an optimal mix of short term loans and long term loans. The company does not have any long term debt outstanding as on 31.03.2019. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. 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 (Long term):

(₹ in Lacs)

Year ended 31 <sup>st</sup> March, 2019	Less than 180 days	More than 180 days
Interest-bearing borrowing	Nil	Nil
Other financial liabilities	Nil	Nil
Trade Payables	2103.43	0.76

(₹ in Lacs)

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

**NOTE: 44** 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 31st March, 2019.

As per our Report of even date

**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**  
**(Managing Director & CEO)**  
**DIN : 00006112**

**Place: New Delhi**  
**Date: 30.05.2019**

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







# **Mohindra Fasteners Limited**

304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, New Delhi-110087