



FASTENING REDEFINED

MOHINDRA FASTENERS LIMITED

Reg. Office:

304 GUPTA ARCADE, INDER ENCLAVE,
DELHI-ROHTAK ROAD, DELHI- 110087

CIN: L74899DL1995PLC064215

Website: www.mohindra.asia

E-mail: cs@mohindra.asia

26th (TWENTY SIXTH) ANNUAL GENERAL MEETING

DATE : TUESDAY, 29th SEPTEMBER, 2020

TIME : 11.30 AM

TO BE CONVENED THROUGH VC/OAVM

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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 Chaudhary
Non – Executive & Independent Director	Mrs. Shamoli Thakur

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

CORPORATE INFORMATION	
Director – Operations	Mr. Sudhir Arneja
Director – Operations	Mr. Anurag Arneja
General Manager – SCM	Mr. Dheeraj Juneja
General Manager – Sales & Marketing	Mr. Prateek Arneja
Statutory Auditor	M/s B. L. Khandelwal & Co (Practicing Chartered Accountant) 1, Doctor Lane, Gole Market, New Delhi –110001
Cost Accountants	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
Secretarial Auditor	M/s Anand Nimesh & Associates (Practicing Company Secretary) 183B, Second Floor, Gurudwara Road, West Guru Angad Nagar, Laxmi Nagar, New Delhi – 110092
Registrar & Share Transfer Agent	Skyline Financial Services Private Limited D – 153 / A, 1st Floor, Okhla Industrial Area, Phase – 1, New Delhi – 110020, Tel:- 011-40450193 - 97, Email Id: compliances@skylinerta.com
Company’s Banker	The Karnataka Bank Limited 11/14, West Patel Nagar, New Delhi – 110008
Work Place	
Registered office	304, Gupta Arcade, Inder Enclave, Delhi – Rohtak Road, New Delhi - 110087 Tel: 011-46200400, E-mail Id: cs@mohindra.asia
Corporate Office	303 – 304, Vardhman Plaza, Inder Enclave, PaschimVihar, Delhi – Rohtak Road, New Delhi – 110087 Tel: 011-46200400, E-mail Id: cs@mohindra.asis
Manufacturing Units	<ul style="list-style-type: none"> • 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



Deepak Arneja

Chairman Cum
Managing Director & CEO

Dear Shareholders,

I am writing this message to you at a time when the world is facing an unprecedented crisis in the form of COVID-19. This crisis has touched every country in the globe and has put extraordinary pressure on the economies worldwide. Our thoughts remain with all those who have directly confronted this crisis, particularly healthcare workers and first line responders.

2019-20 was a challenging year with a weak consumer sentiment considering the macro-economic conditions and finally the COVID-19 outbreak and its terrible impact on lives and livelihoods made challenges much more intense. The trajectory of the virus is still undetermined and is spread over geographies around the world, the success of containment measures still uncertain, the severity and duration of resulting economic crisis and the extent of structural damage still remain unknown. The economies worldwide are contracting and the damage to the economic ecosystem is much more than the 2008 financial crisis.

The impact of the virus and the containment efforts made thereto by governments resulted in supply and demand disruptions across all products leading to a sharper growth deceleration. Almost all sectors of the economy were deeply impacted barring few in the services sector and pharmaceutical industry.

The Automotive segment which is our biggest consumer for domestic sales, still remains volatile and the near-term outlook looks uncertain. However trade pundits and economists expect a V/U shape recovery in the medium term. We stand united with the nation in the fight against COVID-19 as we navigate our way through these dynamic uncertain times together. Our focus remains on safety of our people, protecting supply lines, serving demand, contributing to the society and optimizing cost and cash.

In the year 2019-20, before the breakout of COVID-19, the macro-economic environment had been challenging with lower GDP growth rates, liquidity crunch, and topping unemployment rate. This was reflected in sluggish demand and weakening consumer sentiment. The significant decline in the volume of passenger vehicles and commercial vehicles segment during the year due to economic slowdown and the Coronavirus pandemic outbreak during March 2020 had impacted the sales performance during the fiscal year 2019-20.

The first lockdown was initially notified by Govt. of NCT of Delhi and Haryana in the whole of territorial jurisdiction of NCT of Delhi and Haryana (where our manufacturing plants are located) from Monday, 23rd March to midnight of Tuesday, 31 March. Thereafter, reviewing the spread of this pandemic across India, our Hon'ble Prime Minister Mr. Narendra Modi announced a lockdown initially for 21 days all over the country from 25th March 2020 until 14th April 2020. The outbreak of the deadly COVID-19 pandemic, followed by the lockdown in the country has adversely affected the business operations of the Company. Due to the rapid spread of the COVID-19 in the Country, the health of the employees and workers of the Company has become priority of the Company over the business operations.

In view of the lockdown measures imposed by the State & Central Governments, the operations of all offices and manufacturing plants of the Company came to a halt from March 23, 2020, which has impacted the sales performance of the Company during first quarter of the FY 2020-21. Our company had restarted its operations in its manufacturing plants w.e.f April 27, 2020 with 50% manpower only, as specified, adhering to the safety norms prescribed by Regional Authorities and Central & State Governments of India.

Coming to the financials for the financial year ended 31st March 2020 - MFL has earned a higher net profit of Rs. 936.77 lakhs for the year, despite a slowdown in the automotive industry domestically and despite lower export sales than previous year. The corresponding figure in the previous year was Rs. 910.39 lakhs. Total revenue from the operations of MFL for the year ended March 31, 2020 was at Rs. 10,147.79 lakhs as against Rs. 13,483.37 lakhs in the previous year.

Due to the drop in industry volumes, our domestic sale was lower at Rs. 3289.39 lakhs as against Rs. 4485.39 lakhs in the previous year.

The export sales for the year ended March 31, 2020 was also lower to Rs. 6429.17 lakhs as against Rs. 8350.43 lakhs in the previous year. The global economic slowdown during the fiscal year 2019-20 and the Coronavirus pandemic outbreak during March 2020 have also impacted the export sales. Our key customers faced a slowdown due to the cyclical nature of the industry.

The earnings before interest, taxes, depreciation and amortization (EBITDA) for the year ended March 31, 2020 was at Rs. 1618.70 lakhs as against Rs. 1726.01 lakhs in the previous year. Finance cost was at Rs. 55.46 lakhs

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as against Rs. 127.36 lakhs. Finance costs have been lower as company enjoys its Zero Debt status with no Term Loans. The running working capital loans are at competitive interest rates. This is reflected in lower finance costs.

The tax expenses for the year include a credit towards restatement of deferred tax liability pursuant to an amendment to tax laws in terms of which the Company has chosen to adopt the lower rate of corporate tax.

The Earnings per share (EPS) for the year ended March 31, 2020 was at Rs. 17.49 compared to Rs. 17.00 in the previous year.

In keeping with our tradition of directing surplus cash to shareholders, The Board of Directors have proposed a final dividend of Rs. 3.50 per share, subject to the approval of the shareholders at the AGM, for the financial year ending 31st March 2020; an increase of 16%.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source (TDS).

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.

In this new fiscal year, all major economies have been brought to a standstill. The impact has been very fast and widespread, and the next few months will be very difficult for everyone, individuals and organizations.

On the other hand, the economic downturn is not due to any structural problem in any industry, but due to an externality that has hit the pause button on all economic activity. Whenever that externality is removed, an equally quick recovery should follow.

We are staying close to our customers, aligning ourselves to their evolving priorities, staying lean and nimble, finding newer ways to create value, and launching newer offerings that address current imperatives.

ACKNOWLEDGEMENT

I would like to thank each and every employee for their commitment and service to MFL in these challenging times. Most importantly, I would like to thank you, our shareholders, on behalf of the Board of Directors of MFL, for your continued trust, confidence, and support.

My sincere thanks to my Team members who have stood firm and solidly behind the company in achieving the newer objectives brought about by the pandemic. Our performance is testimony to their efforts and contributions made.

Warm Regards,

Deepak Arneja

Chairman Cum Managing Director & CEO

NOTICE

NOTICE is hereby given that the 26th (Twenty Sixth) Annual General Meeting of the Members of MOHINDRA FASTENERS LIMITED will be held on Tuesday, the 29th September, 2020 at 11.30 A.M. **through Video Conferencing(VC) / Other Audio Visual Means (OAVM)**, 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, 2020, 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, 2020 together with the Auditors Report thereon and the Report of the Board of Directors for the financial year ended on that date be and are hereby approved and adopted.”

2. To declare the dividend on Equity Shares for the financial year ended on 31st March, 2020. Consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT a final dividend of Rs. 3.50 per Equity Share (35%) on fully paid up equity shares as recommended by the Board of Directors for the year ended as on 31st Day of March, 2020 be and are hereby approved and declared.”

3. To appoint a Director in place of Mr. Ravinder Mohan Juneja (DIN: 00006496) who retires by rotation and being eligible, offers himself for re-appointment. 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. Ravinder Mohan Juneja (DIN: 00006496) who retires by rotation and being eligible for re-appointment is hereby re-appointed as a Director of the Company, whose office is liable to retire by rotation.”

SPECIAL BUSINESS

4. To approve the remuneration of Cost Auditor for the financial year ending 31st March, 2021. 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, 2021, 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.”

By Order of the Board

Place: New Delhi
Dated: 11.08.2020

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

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. **Since the AGM will be held through VC / OAVM, the Attendance Slip, Proxy Form and Route Map is not annexed in this Notice.**

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2. Pursuant to the General Circular No. 14/2020 dated April 08, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Institutional / Corporate shareholders are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting to NSDL.
3. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. authorizing its representative to attend the AGM through VC/OAV on its behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the Scrutinizer by e-mail through its registered email address to vdnext1711@gmail.com with a copy marked to evoting@nsdl.co.in.
4. The Members can join the AGM in the VC/OAV mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of the Business(es) 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 Director seeking re-appointment at this Annual General Meeting ("AGM") is also annexed.
7. The company has fixed Tuesday **22nd September, 2020** as the '**Record Date**' for determining entitlement of members for final dividend of the financial year ended March 31, 2020, if declared at the AGM.
8. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source(TDS)will be made within thirty days of its declaration as under:
 - 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. 22nd September, 2020.
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers, transmission or transposition requests lodged with the Company as on the 'record date' i.e. 22nd September, 2020.
9. Members whose email address and mobile numbers are not registered can register the same in the following manner:
 - Members holding shares in demat form can get their E-mail ID registered by contacting their respective Depository Participant.
 - Members holding shares in the physical form may get their E-mail ID registered by contacting to company at cs@mohindra.asia or Registrar and Share Transfer Agent "Skyline Financial Services Private Limited" on at compliances@skylinerta.com.
 - Members who have not registered their E-mail address and in consequence, the Annual Report and Notice of AGM could not be served, may temporarily get their E-mail address and mobile number register with RTA at <http://www.skylinerta.com/EmailReg.php>.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank account details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held by them in electronic form and to the Company's RTA at compliances@skylinerta.com in case the shares are held in physical form.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday 23rd September, 2020 to Tuesday 29th September, 2020 (both days inclusive)** for the purpose of payment of final dividend for the financial year ended on 31st March, 2020 and for this Annual General Meeting (AGM).
12. Members desiring any information or have any query as regards to financial statements or any matter to be placed at the AGM, may write to the Company 48hrs before the date of the AGM mentioning their name, demat account number/folio number, email id, mobile number at cs@mohindra.asia. The same will be replied by the company suitably.

13. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 & other mandatory statutory Registers and Relevant documents referred to in this Notice of AGM and explanatory statement on the date of AGM in electronic mode may send an email to cs@mohindra.asia.
14. 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/transmission, etc related work in Physical as well as in Electronic Form and other related activities at the following address:

Skyline Financial Services Private Limited, R/o. D-153/A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020, E-mail id: compliances@skylinerta.com, Phone: 011-40450193-97

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.
15. 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 Company or its RTA in respect of shares held in physical form.
16. As per the provisions of section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form no. SH 13. The said form can be download from the company's website i.e. www.mohindra.asia. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's RTA in case the shares are held in physical form.
17. 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.
18. 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(in case of joint holders) and an original cancelled cheque or copy of Pass Book or Bank Statements of first shareholder(in case joint holding) to the Company or its RTA at cs@mohindra.asia / compliances@skylinerta.com.
19. 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 RTA, M/s Skyline Financial Services Private Limited for assistance in this regard.
20. 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.
21. 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"),

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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 2012-13 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 Authority with in thirty (30) days from its due date i.e. **29th October, 2020**. 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 financial year(s) from 2012-13 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 31st March, 2020
2012-13	1.60	30/09/2013	28/10/2020	29/10/2020	183,840.00
2013-14	1.80	25/09/2014	29/10/2021	30/10/2021	104,760.00
2014-15	2.00	30/09/2015	03/11/2022	04/11/2022	2,37,810.00
2015-16	2.00	30/09/2016	29/10/2023	30/10/2023	2,05,626.00
2016-17	2.25	28/09/2017	29/10/2024	30/10/2024	2,46,399.75
2017-18	2.50	28/09/2018	30/10/2025	31/10/2025	2,41,532.50
2018-19	3.00	21/09/2019	21/10/2026	22/10/2026	2,76,027.00

Those members who have not so far claimed their dividend for the financial year 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19 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 or may contact to our Registrar & Share Transfer Agent through email id: compliances@skylinerta.com (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.

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. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

22. (i) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 5, 2020, Notice of the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose

email address are registered with the company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.mohindra.asia, website of the stock exchange i.e. Metropolitan Stock Exchange of India Limited at www.msei.in and on the website of NSDL www.evoting.nsdl.com.

- (ii) Members of the Company holding shares either in physical form or in Dematerialised forms as on Benpose date i.e. **Friday 28th August, 2020** will receive Annual Report for the financial year 2019-20 through electronic mode only.

23. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. The Shareholders are requested to update their PAN with the Company (in case share held in physical mode) and depositories (in case of shares held in demat mode).

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed ₹5,000 only and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act along with PAN to avail the benefits of non-deduction of tax at source at e-mail address cs@mohindra.asia or before '**record date**' i.e. **22nd September, 2020**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

24. 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) On the date of the AGM, procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting. The Instructions for Members of E-Voting during the AGM are provided below.
- (iii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

25. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

The remote e-voting period begins on Thursday **24th September, 2020 at 09.00 A.M. and ends on Monday 28th September, 2020 at 5.00 P.M.** During this period, Members holding shares either in physical form or in dematerialized form, as on **cut-off date i.e. Tuesday 22nd September, 2020**, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

(I) THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
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.
 - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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. 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 to reset the password.
2. 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.

In case of any grievances connected with facility for e-voting, please contact

Ms. Pallavi Mhatre,

Manager, NSDL,

4th Floor, ‘A’ Wing, Trade World, Kamala

Mills Compound, Senapati Bapat

Marg, Lower Parel, Mumbai 400 013.

Email: evoting@nsdl.co.in/pallavid@nsdl.co.in,

Tel: 91 22 2499 4545/ 1800-222-990

(III) Process for Registration of Email Address for Obtaining Annual Report and Procuring User Id/ Password for e-voting and updation of bank account mandate for receipt of dividend:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@mohindra.asia / compliances@skylinerta.com along with signed request letter. The e-mail address will be registered after verification of the signatures in the request letter with that shown on record.

Following additional details need to be provided in case of updating Bank Account Details:

- a) Name and Branch of the Bank in which you wish to receive the dividend;
 - b) the Bank Account type;
 - c) Bank Account Number;
 - d) 9 digit MICR Code Number;
 - e) 11digit IFSC Code; and
 - f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
2. Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

Please note that shareholders may also use this link <http://www.skylinerta.com/EmailReg.php> to update their Email id, PAN & Contact number at the website of our Registrar of Share Transfer Agent M/s Skyline Financial Services Pvt. Ltd. Kindly note that your Email/ Mobile/PAN is being registered here temporarily and is subject to verification. Shareholders holding shares in physical form may

get their KYC updated by sending request to RTA at email Id compliances@skylinerta.com and shareholders holding shares in demat form can contact their Depository Participant.

(IV) The Instructions for Members for E-Voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members who are desirous of attending the AGM through VC/OAVM and whose email IDs are not registered with the RTA of the Company/DP, may get their email IDs registered as per the instructions provided in point No. III of this Notice.
2. Member will be provided with a facility to attend the AGM through VC/OAVM through the Virtual Platform provided by the RTA i.e. Skyline Financial Services Pvt. Ltd. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members may ensure availability of a Camera to facilitate interface and use Internet connection with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/folio number, email id, mobile number at company email id cs@mohindra.asia before 48 hours from the date of AGM. The same will be replied by the company suitably.
7. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

26. User ID and Password for the members who became Members after sending of AGM notice:

Any Person, who acquires shares and becomes a member of the Company after sending of the Notice of AGM and the Annual Report through electronic mode, and holding shares as on the cut-off date i.e. **22nd September, 2020** (Tuesday), may obtain the Login ID and password by sending a request at evoting@nsdl.co.in/compliances@skylinerta.com by mentioning their folio no./DPID and client ID no. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

27. Scrutinizer:

Mr. Anand Kumar Singh, a Practicing Company Secretary, Partner of M/s. Anand Nimesh & Associates, Practicing Company Secretaries, has appointed as the scrutinizer to scrutinize the e-voting during the AGM and remote e-voting in a fair and transparent manner and for this purpose he has communicated his willingness to be appointed and will be available for same purpose.

The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and submit on or before September 30, 2020, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

28. Declaration of Results:

The Chairman or the authorized person (if any) shall declare the results on or before September 30, 2020. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.mohindra.asia and on the website of NSDL and shall also be displayed on the notice board at the registered office of the Company. The results shall simultaneously be communicated to the Metropolitan Stock Exchange of India Limited (MSEI), Mumbai. The resolutions shall be deemed to be passed on the date of the AGM i.e. 29th September, 2020 subject to receipt of the requisite number of votes in favour of the resolutions.

The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company.

By Order of the Board

Place: New Delhi
Dated: 11.08.2020

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

MOHINDRA FASTENERS LIMITED

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 NO. 4 OF THE ACCOMPANYING NOTICE:

ITEM NO. 4:

The Board, on the recommendation of the Audit Committee, has approved at their Meeting held on 29th June, 2020 the appointment of M/s. Sanjay Kumar Garg & Associates (Firm Registration No-100292), Cost Accountants, Shop No.2, First Floor, Pocket H-34, Plot No-35, Sector-3, Rohini, New Delhi-110085, as Cost Auditors to conduct the audit of the cost records of the Company pertaining to manufacturing of fasteners for the financial year ending 31st March, 2021 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, there muneration 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 31st March, 2021.

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.

By Order of the Board

**Place: New Delhi
Dated: 11.08.2020**

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

RELEVANT DETAILS FOR ITEM NO.3

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 the Directors	Ravinder Mohan Juneja
Date of Birth and Age	30 th March, 1950, 70 Years
DIN	00006496
Qualification	Under Graduate
Experience and expertise in specific functional areas	He has more than 25 years of experience in holding responsible positions including directorship in the Company "Mohindra Fasteners Limited" and presently holding position of Managing Director and has a more than 39 years of rich Experience in Manufacturing & other businesses. His business acumen, leadership quality, production and management expertise/techniques have benefited the organization significantly wherever he served.
Terms & Conditions of appointment	Managing Director, liable to retire by rotation
Details of remuneration last drawn (2019-20)	All details given in corporate governance report
Date of first appointment on the Board	10 th January, 1995 (Since Incorporation)
Inter-se relationships between- • Director; • Managers; • Key Managerial Personnel.	None
Shareholding in the company	505350 (9.43%)
Number of Meetings of the Board attended during the last financial year	All details given in corporate governance report
List of companies in which Directorship held as on 31.03.2020	PUBLIC COMPANIES: • Mohindra Fasteners Limited PRIVATE COMPANIES: • Nil
List of Committees in which he is a Chairman/ Member of the Committees of the Board of the companies as on date of notice	Chairman • Nil Member • Stakeholders Relationship Committee • Corporate Social Responsibility
Chairperson/Membership of the Statutory Committee(s) of Board of Directors of other companies in which he is a Director	Nil

By Order of the Board

Place: New Delhi
Dated: 11.08.2020

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

MOHINDRA FASTENERS LIMITED

DIRECTORS' REPORT

To,
The Members of Mohindra Fasteners Limited

Your Directors are pleased to present their 26th (Twenty Sixth) Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended March 31, 2020.

FINANCIAL RESULTS

The highlights of the Financial Results are as under:

(₹ in Lacs)

PARTICULARS	Year ended 2019-20	Year ended 2018-19
Revenue From Operations	10147.79	13483.37
Other Income	269.60	68.88
Total Income/Revenue	10417.39	13552.25
Total Expenses	9208.22	12348.89
Profit before Interest, Depreciation & Tax	1618.70	1726.01
Finance Charges	55.46	127.36
Depreciation and Amortization expenses	354.07	395.29
Profit/(Loss) for the Year before exceptional items & Tax	1209.17	1203.36
Add/(Less): *Exceptional Items	Nil	Nil
Profit before Tax	1209.17	1203.36
Add/(Less): Provision for Income Tax(Current Tax)	350.47	373.49
Add/(Less): Deferred Tax (Assets) / Liability	(78.07)	(80.52)
Net Profit/(Loss) for the Year after Tax	936.77	910.39
Other comprehensive income:		
Items that will not be reclassified to Profit & Loss	(53.77)	45.02
Total comprehensive income for the year	883.00	955.41
Equity Shares	5356800	5356800
Earnings per share (EPS):		
Basic	17.49	17.00
Diluted	17.49	17.00

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. We strive to carry products and new developments with the finest value and quality in the market.

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 2019-20; your company has earned revenue from operations Rs. 10147.79 Lakhs (Previous year Rs. 13483.37 Lakhs) and net profit of the company was Rs. 936.77 Lakhs (Previous year Rs. 910.39 Lakhs).

FINANCIAL PERFORMANCE AND THE STATE OF THE COMPANY'S AFFAIRS'

Your Company is operating in two business verticals viz. Domestic sales which constitute about 34% of the sales revenue and Exports which constitute about 66% of the sales revenue.

The domestic sales constitute supply of High tensile fasteners to the domestic customers predominantly automotive business which includes sales made to two wheeler segment (direct supplies to Hero MotoCorp Ltd) and to a lot of Tier 1 vendors of Maruti Suzuki, Hyundai and Tata Motors Ltd. Due to the drop in industry volumes, our domestic sales was also lower by 26% at Rs. 3289.39 lakhs as against Rs. 4485.39 lakhs in the previous year.

The Indian automotive sector was already struggling in FY20 before the Covid-19 crisis. It saw an overall growth of nearly 18 per cent. This situation was worsened by the onset of the Covid-19 pandemic and the ongoing lockdowns across India and the rest of the world. These two years (FY20 and FY21) are challenging times for the Indian automotive sector on account of slow economic growth, negative consumer sentiment, BS-VI transition, insurance requirements, changes in the axle load norms, liquidity crunch, low capacity utilisation and potential bankruptcies.

The export sales for the year ended March 31, 2020 lower by 23% was at Rs. 6429.17 lakhs as against Rs. 8350.43 lakhs in the previous year. The global economic slowdown during the fiscal year 2019-20 and the Coronavirus pandemic outbreak during March 2020 have also impacted the export sales. Our key customers faced a slowdown due to the cyclical nature of the industry. The Company on its part, while anticipating the slowdown, added new customers, added new product lines and developed medium to long term contracts for special products and applications. The Company is proud to have its customers in almost all continents except Antarctica.

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 3 to 4 months despite slower than normal business conditions and effects of COVID. The order inflow is a running continuous process and the international markets are currently operating at lower levels than before. The export outstanding is higher than the previous years and shows our commitment to make a name in the International market. There is a reduced demand in destination markets, restriction of movement of persons in order to stop spread of COVID-19, disruptions of supply capacity, 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.

During the year, the Board of directors of the company had resolved to starting up the 'Green Field Project/ Construction of factory building and purchase & installation of plant & machinery at company's new Plant measuring 3 acres industrial land at IMT Rohtak, Haryana, which was purchased by the company from HSIIDC Panchkula, Haryana in year 2014. The total project cost will be approx. Rs. 33.00 Crores, which the company plans to meet through additional capital infusion, internal accruals and the Company has also decided to borrow money from the Bank for the purpose of construction of factory building & purchase & installation of plant & machinery. The construction was originally planned to start in the latter half of financial year 2020 but

due to outbreak of this global pandemic COVID-19 and nationwide lockdown, the construction work and other activities pertaining to expansion have been deferred by 8-9 months. The same shall be reviewed in Q3 of FY 2020-21.

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

In order to stop the spread of the Covid-19 outbreak, many countries across the world, including India, have taken very tough measures. We are still not certain how this crisis will play out, but we are aware of its effects on our economic, physical and mental well-being of all the individuals.

However, the impact assessment of economic slowdown and COVID-19 is a continuing process given the uncertainties associated with its nature, duration and the extent covering almost the whole world. Overall, the balance period of the financial year, of 2020–2021, is likely to be difficult but we do hope the business situation should normalize from the 3rd and 4th Quarter of this year.

OUTBREAK OF COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. Your company shut down its manufacturing plants & offices from the last week of March, 2020. The Company's operations were hit during the period of lockdown, as there was no production during this period. Although the company resumed its manufacturing operations from April 27th; but we are currently operating at 50 or 60% of its production capacity and adhering to the safety norms prescribed by Regional Authorities & Government of India. We are extremely cautious about our workers' health. We are following all the guidelines, regulations prescribed by the government and are taking adequate measures, be it providing gloves, face masks to our employees, workers, thermal screening, or regularly sanitizing our workplace, etc. The company has a Standard Operating Procedure (SOP) for ensuring the health and safety of all employees.

This lockdown has also resulted in the financial burden for the Company as well as it has led to a delay in implementation of the company's green field project (construction of new Plant). Although there is no impact seen on capital & financial resources of the company because the Company has no long term debt and the utilization of working capital is well within the bank limits; but we have to see as to how long this pandemic will take to bring normalcy to the business. At present we do not foresee any major adverse impact on the supply chain side of the company. The company has considered such impact to the extent known and available currently not limited to profitability, supply chain, financing arrangements & demand of its products & etc. The world is grappling with uncertainties and several countries have imposed restrictions that would severely impact the economic activities not just for now, but for a prolonged period of time.

4. DIVIDEND

Your Directors are pleased to recommend a Final Dividend of Rs. 3.50/- per equity share i.e. 35% of face value of Rs. 10/- each for the year ended 31st March, 2020. The Final Dividend, subject to the approval of Members at the Annual General Meeting on 29th September, 2020, will be paid within thirty days of its declaration, to the Members whose names appear in the Register of Members, as on record date i.e. 22nd September, 2020.

The total dividend for the financial year amounts to Rs. 3.50/- per equity share and will absorb Rs. 1.87 Crores. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source (TDS) as per applicable rates.

The register of members and share transfer books will remain closed from 23rd September, 2020 to 29th September, 2020 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31st March, 2020 and the AGM. The AGM is scheduled to be held on 29th September, 2020.

5. RESERVES

No amount is proposed to be transferred to General Reserve out of the net profits of the Company for the financial year 2019-20. 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 metallurgical Laboratory of the company was certified as per ISO 17025 norms which will help the company in satisfying the quality needs/requirements of the customers.

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 under review, the Company has increased its Authorised Share Capital of the company from Rs. 12,00,00,000/- (Rupees Twelve Crore only) divided into 65,00,000/- (Sixty Five Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each and 55,00,000 (Fifty Five Lakhs) preference shares of Rs. 10/- (Rupees Ten only) each to Rs. 17,50,00,000/- (Rupees Seventeen Crores & Fifty Lakhs only) divided into 1,20,00,000 (One Crores & Twenty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each and 55,00,000 (Fifty Five Lakhs) preference shares of Rs. 10/- (Rupees Ten only) each, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot procedure dated 26th March, 2020.

Further, there were no change in the Issued, Subscribed and Paid-up Share Capital of your Company. Hence, the Paid-up Share Capital of the Company is 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. Ravinder Mohan Juneja (DIN: 00006496), Director of the Company is liable to retire by rotation at the 26th 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 26th AGM notice.

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

Key Managerial Personnel (KMP):

During the year, on the recommendation of Nomination and Remuneration Committee and subject to the approval of the shareholders of the company, the Board of directors had at their meeting held on 13th February, 2020, re-appointed Mr. Ravinder Mohan Juneja (DIN: 00006496) as Managing Directors of the Company for a further period of 5(five) years w.e.f. 31st March 2020 to till 30th March 2025, liable to retire by rotation and the re-appointment of Mr. Ravinder Mohan Juneja has been approved by the shareholders of the Company by approving the special resolution through Postal Ballot dated 26th March, 2020.

During the year, on the recommendation of Nomination and Remuneration Committee and subject to the approval of the shareholders of the company, the Board of directors had at their meeting held on 13th February, 2020, re-appointed Mr. Deepak Arneja (DIN: 00006112) as Managing Directors & CEO of the Company for a further period of 5 (five) years w.e.f. 01st July, 2020 to till 30th June, 2025 and the re-appointment of Mr. Deepak Arneja has been approved by the shareholders of the Company by approving the special resolution through Postal Ballot dated 26th March, 2020.

Director:

The Shareholders in the 25th Annual General Meeting of the Company have approved the re-appointment of Mr. Vinod Kumar as an Independent Director of the Company for a further term of five years w.e.f. 25th September, 2019 to 24th September, 2024.

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, a copy of the same is available on the Company's website 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 2019-20, 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. NOMINATION AND REMUNERATION POLICY

In pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and Companies (Amendment) Act, 2017, the Company has revised the Nomination & Remuneration Policy applicable w.e.f. 01.04.2019. The key changes include, inter alia, addition of the definition of senior management along with recommendations about their remuneration.

The Nomination & Remuneration policy provides guidelines to the Nomination & Remuneration Committee relating to the Appointment, Removal & Remuneration of Directors, Key Managerial Personnel and Senior Management. This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel, senior management and other employees. It also provides the manner for effective evaluation of performance of Board, its committees and individual directors.

A brief description about the Company's Nomination and Remuneration Policy on director's appointment and remuneration including criteria for determining qualifications, Positive attributes, independence of director and other related matters provided in Section 178(3) of the Companies Act 2013 are furnished in the Corporate Governance Report forming part of the annual report and the same is available on the company's website at www.mohindra.asia.

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

The Company has received necessary declarations from each of Independent 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 affecting 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. Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarized with the Company, their roles, rights and responsibilities in the Company, the code of conduct to be adhered, nature of the industry in which the Company operates, business model of the Company, meeting with the senior management team members, etc.

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.

The detail of such familiarization programme can be accessed on the Company's website at 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 25, 2020.

Special exercise was carried out to evaluate the performance of Independent Directors for the FY 2019-20 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, 2020, 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

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 2019-20 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.

Secretarial Auditors

In terms of Section 204 of the Companies Act, 2013 & rules made there under and on the recommendation of the Audit Committee, the Board has re-appointed M/s Anand Nimesh & Associates, Practicing Company Secretaries, 183B, Second Floor, Gurudwara Road, West Guru Angad Nagar, Laxmi Nagar, New Delhi-110092, as a Secretarial Auditor of the Company for FY 2020- 21 at the board meeting held on June 29, 2020.

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 2019-2020. Secretarial Audit Report issued by Mr. Anand Kumar Singh, Practicing 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 2019-20. 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.

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, 1st Floor, Rani Jhansi Road, Motia Khan, Industrial Area, New Delhi-110055, as a Internal Auditor of the Company for FY 2020- 21 at the board meeting held on June 29, 2020.

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.

Cost Auditor

As per Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014 as amended, the Board of Directors, on the recommendation of the Audit Committee and subject to ratification of remuneration by the members of the company, has appointed M/s. Sanjay Kumar Garg & Associates, Cost Accountants, New Delhi (FRN: 100292) being eligible and having sought Appointment, as Cost Auditors of the Company, to carry out the cost audit in relation to the financial year ended March 31, 2021. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

As required under the Companies Act, 2013 a Resolution seeking members approval for the remuneration payable to the Cost Auditors forms part of the Notice convening this Annual General Meeting.

Cost Audit Report

The Cost audit report for the financial year 2019-20 shall be filed with the Ministry of Corporate Affairs in due course.

Maintenance of Cost Records

The Company has maintained required cost accounts and records as prescribed under sub-section (1) of section 148 of the Companies Act, 2013.

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.

In pursuant to regulation 9A(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has revised Whistle Blower Policy applicable w.e.f 01.04.2019 to include inter alia in its scope any instances related to Insider Trading and has also provided access to the employees of the Company to report the instances of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information. The Company has established Vigil Mechanism for the directors and employees of the Company to report, serious and genuine unethical behavior, actual or suspected fraud and violation of the Company's code of conduct or ethics policy. It also provides

adequate safeguards against victimization of persons, who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

None of the employees of the Company has been denied access to the Audit Committee.

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 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 2019-20.

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

In line with the requirements of the Companies Act, 2013 and amendment to the Listing Regulations, your Company has formulated a revised Policy on Related Party Transactions which is also available on the Company's website at www.mohindra.asia. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a yearly basis for transactions which are of repetitive nature and /or entered in the Ordinary Course of Business and are at Arm's Length. 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.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company.

The particulars of contracts or arrangements with related party prepared under Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rule, 2014 is in Form AOC-2 is appended as **Annexure-V to the Directors' Report** as required, although it's not applicable.

Details of the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to note no. 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 2019-20, 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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2020;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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
- 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 2019-2020, the numbers of permanent employees on the pay rolls of the company were 335 as on 31st March, 2020.

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.

In view of the Pandemic COVID-19, the Company has taken utmost care in maintaining health & safety guidelines in line with the guidelines issued by MHA. Accordingly the Company had prepared a detailed Standard Operating Procedure (SOP) to ensure all its employees stay safe at workplace.

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.

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, 2020 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, 2020.

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 16.07.2020 communicated individually, the concerned shareholders whose shares are liable to be transferred to the IEPF Authority during the financial year 2020-21 of the financial year 2012-13 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 2011-12 or before had remained unpaid or unclaimed for a period of seven consecutive years or more i.e. an amount of Rs. 1,64,403 (Rupees One Lakhs Sixty Four Thousand Four Hundred and Three only) of unpaid/unclaimed dividends and 3300 shares were transferred during the financial year 2019-20 to the Investor Education and Protection Fund ("IEPF") related to financial year 2011-12, 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 21st September, 2019 (date of last AGM) on the Company's website http://mohindra.asia/mfl/list_of_unpaid_dividend.html and on the website of the Ministry of Corporate Affairs at 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.

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.

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 2019-20 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 2020-21 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 2020-21 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

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the MFL family.

For and on behalf of the Board

Place: New Delhi
Date: 11.08.2020

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

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2020 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

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company’s philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

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 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.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable, with regard to corporate governance

APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES:

The Company has a strong legacy of fair, transparent and ethical governance practices.

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.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 (“the Act”).

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.

MOHINDRA FASTENERS LIMITED

As on **31st March, 2020**, 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.

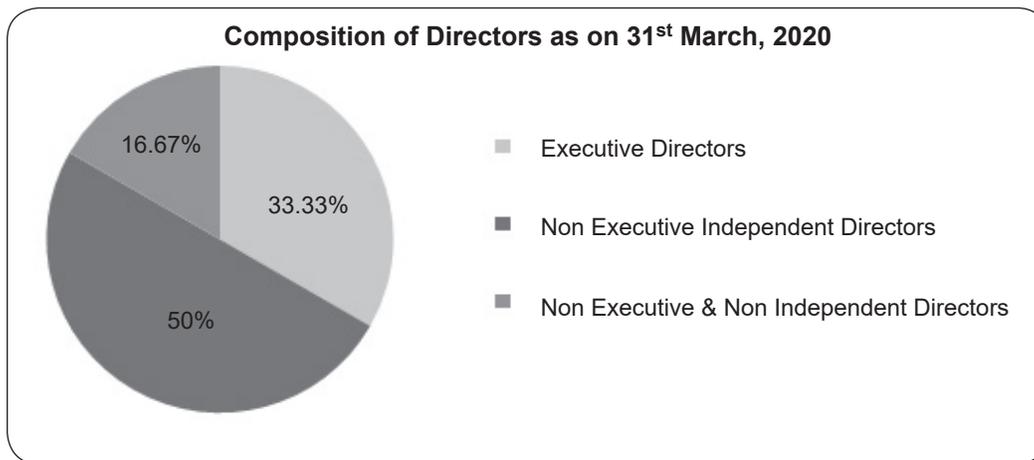
The Board is primarily responsible for overall management of the Company's business. The directors on the board are from varied fields with suffice range of skills, possess relevant qualifications and experienced general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Director.

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.

Further, disclosures have been made by the Directors regarding their Chairmanships/ Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 26(1) of the Listing Regulations.

As on March 31, 2020 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 2019-20** 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.	30.05.2019	6	3
2.	06.08.2019	6	3
3.	12.11.2019	6	3
4.	13.02.2020	6	4

Further, it is to be mentioned that **2 (Two) Board Resolutions passed by circulation as per the Companies Act, 2013 and rules made thereunder read with Secretarial Standards issued by ICSI on 28.09.2019**, which then further placed and adopted at the subsequent Board Meetings held on 12.11.2019.

Category of directors, 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. 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	Promoter, Non-Executive Non Independent Director	15.02.2016 (65,300)	-	-	-	-	Mohindra Fasteners Limited Non-executive 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.

The agenda and notes are circulated to the Directors in advance. All material information is included in the agenda for facilitating meaningful discussions at the meeting. In case of urgent necessity, resolutions are passed by circulation in accordance with the provisions of Companies Act, 2013. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

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The attendance of each Director at all meetings of Board of Directors and at the last Annual General Meeting held during the FY 2019 - 20:

Name of Director	Attendance at the Board Meetings held on				Attendance at AGM held on 21 st September, 2019
	30.05.2019	06.08.2019	12.11.2019	13.02.2020	
Mr. Deepak Arneja	Yes	Yes	Yes	Yes	Yes
Mr. Ravinder Mohan Juneja	No	No	Yes	No	No
Mr. Vinod Kumar	Yes	Yes	No	Yes	Yes
Mrs. Shamoli Thakur	Yes	No	No	No	No
Mr. Gagandeep Singh Narang	No	No	No	Yes	Yes
Mr. Ved Prakash Chaudhry	No	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, 2020:

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:

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarized with the Company, their roles, rights and responsibilities in the Company, the code of conduct to be adhered, nature of the industry in which the Company operates, business model of the Company, meeting with the senior management team members, etc.

The details of such Familiarisation Programme can be accessed on the website of the Company i.e. 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 / Project Planning & Implementation / Marketing / Sales / Corporate Strategy / Banking / Human Resources / Financial Expertise
Non-Executive Non-Independent Directors	General Management / Project Planning & Implementation / Marketing / Sales / Corporate Strategy / Financial Expertise
Non-Executive Independent Directors	General Management / Corporate Strategy / Marketing / Sales / Banking / Human Resources / Financial Expertise

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skills/expertise/competencies.

Directors	Management General / Project Planning & Implementation	Marketing/ Sales	Corporate Strategy	Banking	Human Resources	Financial Expertise
Deepak Arneja	✓	✓	✓	✓	✓	✓
Ravinder Mohan Juneja	✓	✓	✓	✓	✓	✓
Gagandeep Singh Narang	✓	✓	✓			✓
Shamoli Thakuar	✓	✓			✓	
Ved Prakash Chaudhry	✓		✓	✓		✓
Vinod Kumar	✓	✓	✓			✓

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, no independent director has been resigned from the Company.

COMMITTEES OF THE BOARD

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

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
Statutory Committees				
<u>AUDIT COMMITTEE</u>	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: <ul style="list-style-type: none"> Oversight of the listed entity's financial reporting process. Recommendation for appointment, remuneration and terms of appointment of auditors. Reviewing, with the management, the annual financial statements and auditor's report. 	Name	Category	<ul style="list-style-type: none"> 4 (Four) Audit Committee meetings were held during the year as on, 30th May, 2019, 06th August, 2019, 12th November, 2019 and 13th February, 2020 and the gap between two meetings did not exceed one hundred and twenty days. During the year, in every meeting all the Committee members were present except in 30th May, 2019, Mr. Ved Prakash Chaudhry was granted leave of absence.
		Mr. Vinod Kumar (Chairman)	Non-Executive Independent Director	
		Mr. Deepak Arneja	Executive Director	
		Mr. Ved Prakash Chaudhry	Non-Executive Independent Director	

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Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance									
	<ul style="list-style-type: none"> Scrutiny of inter-corporate loans and investments. Internal financial controls and risk management systems. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems and reviewing the adequacy of internal audit function. Management discussion and analysis of financial condition and results of operations. Reviewing the statement of significant related party transactions. Internal audit reports relating to internal control weaknesses. Audit Committee review all the information, listed in Para A & B of Part C of Schedule II of the SEBI Listing Regulations and other applicable provisions, laws, rules and regulations, if any. All items listed in part C of Schedule II of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 & other applicable provisions, rules, laws and regulations if any. 			<ul style="list-style-type: none"> 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. The Company Secretary acts as Secretary to the Audit Meeting. The Chairman of the Audit Committee Mr. Vinod Kumar was present at the 25th Annual General Meeting held on 21st September, 2019. Recommendations by the Audit Committee: All the recommendations made by the Audit Committee are accepted and implemented by the Board of Directors. 									
<u>NOMINATION AND REMUNERATION COMMITTEE</u>	<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"> To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees. To formulate the criteria for evaluation of Independent Directors and the Board. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal. 	<table border="1"> <thead> <tr> <th data-bbox="803 1182 987 1220">Name</th> <th data-bbox="987 1182 1161 1220">Category</th> </tr> </thead> <tbody> <tr> <td data-bbox="803 1220 987 1346">Mr. Vinod Kumar (Chairman)</td> <td data-bbox="987 1220 1161 1346">Independent, Non-Executive Director</td> </tr> <tr> <td data-bbox="803 1346 987 1497">Mr. Gagandeep Singh Narang</td> <td data-bbox="987 1346 1161 1497">Non-Independent, Non-Executive Director</td> </tr> <tr> <td data-bbox="803 1497 987 1623">Mr. Ved Prakash Chaudhry</td> <td data-bbox="987 1497 1161 1623">Independent, Non-Executive Director</td> </tr> <tr> <td data-bbox="803 1623 987 1904"></td> <td data-bbox="987 1623 1161 1904"></td> </tr> </tbody> </table>	Name	Category	Mr. Vinod Kumar (Chairman)	Independent, Non-Executive Director	Mr. Gagandeep Singh Narang	Non-Independent, Non-Executive Director	Mr. Ved Prakash Chaudhry	Independent, Non-Executive Director			<ul style="list-style-type: none"> 2 (Two) Committee meetings were held during the year on 05th August, 2019 and 12th February, 2020. During the year, in every meeting all the Directors were present. Details of Performance Evaluation Criteria and remuneration policy are detailed below to this table. The Chairman of the Nomination & Remuneration Committee Mr. Vinod Kumar was present at the 25th Annual General Meeting held on 21st September, 2019.
Name	Category												
Mr. Vinod Kumar (Chairman)	Independent, Non-Executive Director												
Mr. Gagandeep Singh Narang	Non-Independent, Non-Executive Director												
Mr. Ved Prakash Chaudhry	Independent, Non-Executive Director												

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance								
	<ul style="list-style-type: none"> To devise a policy on Board diversity. To decide whether to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of independent directors. To recommend to the Board, all remuneration, in whatever form, payable to senior management. The Nomination & Remuneration Committee review all the information, listed in Para A of Part D of Schedule II of the SEBI (LODR) Regulation, 2015, and other applicable provisions, laws, rules and regulations of the Companies Act, 2013. 											
<u>STAKEHOLDER'S RELATIONSHIP COMMITTEE</u>	<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"> Consider and resolve the grievances of security holders. Consider and approve issue of share certificates, transfer and transmission of securities, etc. 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. 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. The Stakeholder's Relationship Committee review all the information, listed in Para B of Part D of Schedule II of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, and other applicable provisions, laws, rules and regulations of the Companies Act, 2013. 	<table border="1"> <thead> <tr> <th data-bbox="803 850 987 892">Name</th> <th data-bbox="987 850 1161 892">Category</th> </tr> </thead> <tbody> <tr> <td data-bbox="803 892 987 1018">Mr. Vinod Kumar (Chairman)</td> <td data-bbox="987 892 1161 1018">Independent, Non-Executive Director</td> </tr> <tr> <td data-bbox="803 1018 987 1081">Mr. Deepak Arneja</td> <td data-bbox="987 1018 1161 1081">Executive Director</td> </tr> <tr> <td data-bbox="803 1081 987 1144">Mr. Ravinder Mohan Juneja</td> <td data-bbox="987 1081 1161 1144">Executive Director</td> </tr> </tbody> </table>	Name	Category	Mr. Vinod Kumar (Chairman)	Independent, Non-Executive Director	Mr. Deepak Arneja	Executive Director	Mr. Ravinder Mohan Juneja	Executive Director		<ul style="list-style-type: none"> 12 (Twelve) Committee meetings were held during the year on 30th April, 2019, 28th May, 2019, 29th June, 2019, 26th July, 2019, 26th August, 2019, 27th September, 2019, 25th October, 2019, 25th November, 2019, 24th December, 2019, 28th January, 2020, 28th February, 2020 and 25th March, 2020. All the committee members were present in all meetings except in 29 June, 2019 Vinod Kumar, 27th September, 2019 Deepak Arneja, 25th November, 2019 Deepak Arneja, 28th February, 2020 Deepak Arneja and 25th March, 2020 Ravinder Mohan Juneja were granted leave of absence. The Company Secretary acts as Secretary to the committee.
Name	Category											
Mr. Vinod Kumar (Chairman)	Independent, Non-Executive Director											
Mr. Deepak Arneja	Executive Director											
Mr. Ravinder Mohan Juneja	Executive Director											

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Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
				<ul style="list-style-type: none"> During the year, 19 (nineteen) 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, 2020. The Chairman of the Stakeholder Relationship Committee Mr. Vinod Kumar was present at the 25th Annual General Meeting held on 21st September, 2019.
Statutory Committees				
<u>CORPORATE SOCIAL RESPONSIBILITY</u>	<p>The terms of references of the Committee are as provisions of Companies Act.</p> <ul style="list-style-type: none"> 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. Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy. Monitor the CSR Policy. Review all other matters as applicable under any provisions, laws, rules and regulations of the Companies Act, 2013. 	Name	Category	<ul style="list-style-type: none"> 1(One) Committee meeting was held during the year on 11th November, 2019. During the year, all the Committee Members were present in the above meeting.
		Mr. Deepak Arneja (Chairman)	Executive Director	
		Mr. Ravinder Mohan Juneja	Executive Director	
		Mr. Vinod Kumar	Independent, Non Executive Director	
<u>PREVENTION OF SEXUAL HARASSMENT COMMITTEE (POSH)</u>	<p>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.</p>	Name	Category	<ul style="list-style-type: none"> 01 (One) Committee meeting was held during the year on 25th March, 2020. 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.
		Ms. Nidhi Pathak (Presiding Officer)	Company Secretary	
		Mrs. Dimpay 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 2019-20, Independent Directors met once on 25th March, 2020 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 Criteria for IDs

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.

Appointment and Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations.

The Nomination and Remuneration Committee (“NRC”) has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director/Executive Director, other Key Managerial Personnel and their remuneration. The Nomination and Remuneration Policy can be accessed on the Company’s website at www.mohindra.asia.

THE KEY PRINCIPLES GOVERNING THE COMPANY’S REMUNERATION POLICY ARE AS FOLLOWS:

Remuneration for Managing Directors (‘MD’)/ Executive Directors (‘ED’)/ Key Managerial Personnel (‘KMP’)/ rest of the Employees:

The Company pays remuneration by way of salary, benefits, perquisites and allowances and any special allowance and/or any other allowances or perquisites as determined by the nomination and remuneration committee from time to time to its Managing Director and the Executive Directors. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members and are effective April 1, each year.

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.

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

The Company pays sitting fees of ₹10,000 per meeting to its Non-Executive Directors for attending meetings of the Board of Director.

The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

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DETAILS OF REMUNERATION FOR 2019 - 20

- The aggregate value of salary, perquisites and commission paid to Mr. Deepak Arneja, Chairman (Managing Director & CEO), during the year **2019-20** is **Rs. 37,64,418/-** comprising:

Salary	Rs. 37,64,418
Perquisites and allowances	NIL
Commission	NIL
Period of Agreement	Re-appointed w.e.f. 01 st July, 2020 for a period of five years i.e. 30 th June, 2025.
Notice period	The Agreement may be terminated by either party, giving the other party three months' notice.
Severance fees	NIL
Stock Options	NIL

- The aggregate value of salary, perquisites and commission paid to Mr. Ravinder Mohan Juneja, Managing Director, during the year **2019-20** is **Rs. 35,96,418/-** comprising:

Salary	Rs. 35,96,418
Perquisites and allowances	NIL
Commission	NIL
Period of Agreement	Re-appointed w.e.f. 31 st March, 2020 for a period of five years i.e. 30 th March, 2025.
Notice period	The Agreement may be terminated by either party, giving the other party three months' notice.
Severance fees	NIL
Stock Options	NIL

Note:-

- The company has re-appointed Mr. Deepak Arneja as Chairman cum Managing Director & CEO of the company for a further period of 5(five) years w.e.f. July 01, 2020 till June 30, 2025 by passing the special resolution vide date 26.03.2020 through the postal ballot.
- The company has re-appointed Mr. Ravinder Mohan Juneja as Managing Director of the company for a further period of 5(five) years w.e.f. March 31, 2020 to March 30, 2025 by passing the special resolution vide date 26.03.2020 through the postal ballot.

Non-Executive Directors on the Board of the Company were paid sitting fees during the financial year 2019-20. 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 attending the 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 may be accessed on the website of the company 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
25 th	2018-19	Le Pacific Outdoor Catering Banquet at 31/35, Main Rohtak Road, Punjabi Bagh West, Opp. Metro Pillar No 142, New Delhi 110026	21.09.2019 (Saturday)	11.30 A.M.	To approve the re-appointment of Mr. Vinod Kumar (DIN: 02303504) as an Independent Director of the Company for a second term of 5(five) years.
24 th	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.
23 rd	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.

No Extra-ordinary General Meeting of the shareholders was held during the year 2019 - 20.

b) **Postal Ballot**

Special Resolutions passed through Postal Ballot during the year 2019-20

The Company conducted following businesses through Postal Ballot during the financial year 2019-20:

1. Approved the revision in the validity or tenure of appointment of Mr. Ravinder Mohan Juneja, Managing Director of the Company on May 11, 2019;
2. Approved the re-appointment of Mr. Deepak Arneja as Chairman cum Managing Director & CEO of the company w.e.f. July 1, 2020 to June 30, 2025 on March 26, 2020;
3. Approved the re-appointment of Mr. Ravinder Mohan Juneja as Managing Director of the company w.e.f. March 31, 2020 to March 30, 2025 on March 26, 2020.

The Company had appointed Mr. Anand Kumar Singh (Membership No. ACS 24881) Partner at M/s. Anand Nimesh & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

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The Results of Postal ballot were announced on May 13, 2019 and March 27, 2020 and details of voting results on the resolutions are as follows:

Description of the Resolution	Vote in assent			Vote in dissent			Invalid Vote
	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	
To approve the revision in the validity or tenure of appointment of Mr. Ravinder Mohan Juneja, Managing Director of the Company	48	47,44,318	100%	Nil	Nil	Nil	2
To approve the re-appointment of Mr. Deepak Arneja as Chairman cum Managing Director and CEO of the Company	45	47,48,118	100%	Nil	Nil	Nil	Nil
To approve the re-appointment of Mr. Ravinder Mohan Juneja as Managing Director of the Company	45	47,48,118	100%	Nil	Nil	Nil	Nil
To approve the increase in Authorised Share Capital and consequent amendment to Memorandum of Association of the Company	44	47,47,618	100%	1	500	0.01%	Nil

Procedure for postal ballot:

The Company had sent the postal ballot notice and postal ballot form along with postage pre-paid business reply envelope to members/beneficial owners through email at their registered email IDs and through physical copy to the members who have not registered their email IDs. The Company had also published notice in the newspapers for the information of the members. Voting rights were reckoned on the equity shares held by the members as on the cut-off date. The voting period for postal ballot and e-voting was thirty days from the date of sending of postal ballot notice to the members of the Company.

The postal ballot results were intimated to the Stock Exchanges pursuant to regulation 44(3) of the SEBI Listing Regulations, as well as displayed on the Company's website <http://mohindra.asia/mfl/postal-ballot.html>. The Company has also complied with the procedure for Postal Ballot in terms of the provisions of section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted in the ensuing annual general meeting requires passing of a special resolution through postal ballot. The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder.

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 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.
- 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 & MCA circulars, the Company has sent notices to the shareholders for Registration of PAN, Bank Account Details and Email Addresses & contact details of the Shareholders.

GENERAL SHAREHOLDERS INFORMATION

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

a) Annual General Meeting:

Date and Day	:	Tuesday, September 29, 2020
Venue	:	The Company is conducting meeting through video conferencing ('VC')/ other audio visual means ('OAVM') pursuant to the MCA circulars. For details please refer to the Notice of AGM
Time	:	11.30 A. M.
Book Closure Dates	:	Wednesday September 23, 2020 to Tuesday September 29, 2020 (both days inclusive)

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Dividend Announcement : **The Board of Director of the company has recommended a dividend at the rate of 35% i.e. Rs. 3.50 of the face value of Rs. 10/- each, at their duly convened board meeting held on June 29, 2020, subject to the approval of the shareholders at the 26th Annual General Meeting.**

The Ministry of Corporate Affairs vide its circular dated 8 April 2020, 13 April 2020 and 5 May 2020 has provided an option to Companies to conduct Annual General Meeting during the Calendar Year 2020 through “VC or OAVM” and send financial statements (including board’s report, auditors report and other documents to be attached therewith) through email only.

Accordingly, the Annual report of the Company for the year 2019-20 along with Notice of AGM are being sent only by email to the members, and all other persons/entities entitled to receive the same and that the 26th Annual General Meeting will be convened through VC or OAVM.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company\ Registrar and Share Transfer Agent “Skyline Financial Services Private Limited” at cs@mohindra.asia / compliances@skylinerta.com

Payment of dividend

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘the SEBI Listing Regulations, 2015’) read with SEBI circular dated 20 April 2018, require companies to use any electronic mode of payment approved by the Reserve Bank of India for making payment to the shareholders. Accordingly, the final dividend declared paid through electronic mode, where the bank account details of the shareholders were available. In case where the dividend could not be paid through electronic mode, payment has been made through physical instrument such as banker’s cheque or demand draft incorporating bank account details of such shareholders.

Pursuant to SEBI & MCA circulars dated May 12, 2020 and May 5, 2020, the Company had sent written notices to shareholders requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode. Those shareholders who are yet to respond to the Company’s request in this regard are once again requested to take action in the matter at the earliest. For enabling payment of dividend in future through electronic mode, members holding shares in physical form are requested to furnish updated particulars of their bank account, to Company or its RTA along with a photocopy of a ‘cancelled’ cheque and self-attested copy of PAN card. Beneficial owners holding shares in electronic form are requested to furnish their bank account details to their respective depository participants and ensure that such changes are recorded by them correctly. The request to update particulars of bank account should be signed as per the specimen signature registered with RTA/depository participants, as the case may be.

Tentative Financial Calendar 2020 - 21 (April to March)

The Company expects to announce the Unaudited Quarterly Results for the year 2020 - 21, as per the following schedule:

Financial Reporting for the Quarter ending June 30, 2020	Upto 14 th August, 2020
Limited Review Report for the Quarter ended on June 30, 2020	Upto 14 th August, 2020
Financial Reporting for the Quarter ending September 30, 2020 and Half-year results	Upto 14 th November, 2020
Limited Review Report for the Quarter ended on September 30, 2020	Upto 14 th November, 2020
Financial Reporting for the Quarter ending December 31, 2020	Upto 14 th February, 2021
Limited Review Report for the Quarter ended on 31 December, 2020	Upto 14 th February, 2021

The Audited Financial Results of the Company for the year 2020 - 2021 will be announced on or before 30th May, 2021 which will include the results of the fourth quarter of the year 2020 - 2021.

(b) Financial Year: April, 2019 to March, 2020.

(c) **Dividend payment date:** on or before 28th October, 2020.

Record Date: Tuesday, September 22, 2020 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 2020-21 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:**

Since the shares of the Company were not traded on Metropolitan Stock Exchange of India Limited during the financial year 2019-20, Market price data of Metropolitan Stock Exchange of India Limited is not available.

(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

Website: www.skylinerta.com E-mail: compliances@skylinerta.com

Ph: +91-11-40450193-97

Fax: 011- 26812682

(j) **Share Transfer System**

93% of the equity shares of the Company are in electronic form. In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities, issue of duplicate share certificate, non-receipt of declared dividend, etc. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the Depository Participant (“DP”) with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register these share transfers. Shareholders should communicate with Skyline Financial Services Private Limited, the Company’s Registrars and Transfer Agents (‘RTA’) quoting their folio number or Depository Participant ID (‘DP ID’) and Client ID number, for any queries to their securities. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

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.

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Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The report, inter alia, confirms that the number of shares issued, listed on the Stock exchange and that held in demat and physical mode are in agreement with each other.

(k) Distribution of Shareholding as on 31.03.2020

Range of Share holding Nominal Value	No. of Shareholders	Percentage of Shareholders	Total No. of Shares Held	Total percentage of Shareholding
Up to 5000	256	50.1	630860	1.18
5001 – 10000	122	23.87	1188000	2.22
10001 – 20000	48	9.39	893960	1.67
20001 – 30000	22	4.31	577000	1.08
30001 – 40000	4	0.78	140000	0.26
40001 – 50000	14	2.74	686000	1.28
50001 – 100000	15	2.94	1258180	2.35
100001 & above	30	5.87	48194000	89.97
Total	511	100	53568000	100

Categories of Shareholding of the Company as on 31.03.2020

Category	Nos. of Shares held	Percentage of Holding
A Promoter and Promoter Group		
1. Indian Promoters	37,74,700	70.47
2. Foreign Promoters	-	-
Sub-Total (A)	37,74,700	70.47
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	84,500	1.58
- Individuals	14,52,600	27.10
- NRIs	-	-
- Clearing members	-	-
- HUF	3500	0.07
- Others-IEPF	21900	0.41
Sub-Total (B)	15,82,100	29.53
Grand Total (A+B)	53,56,800	100.00

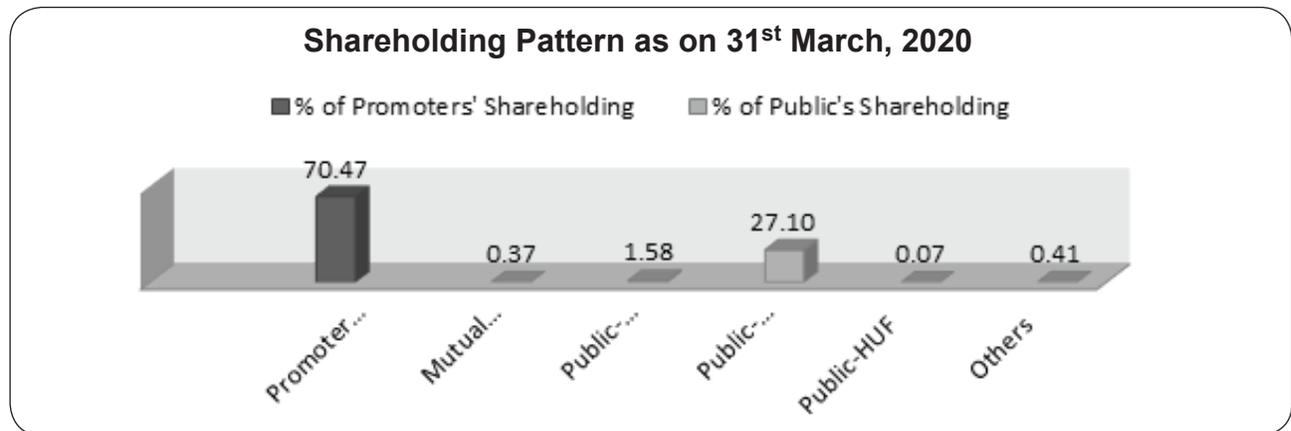
(l) Dematerialization of Shares and Liquidity

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.

93% of total equity capital (including holding of promoter companies) is held in dematerialised form with NSDL and CDSL as on March 31, 2020.

The break-up of equity shares held in Physical and Dematerialized form as on March 31st, 2020, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	373300	06.97
NSDL	3166471	59.11
CDSL	1817029	33.92
Total	5356800	100.00



Annual Custody Fees for the year 2020-21 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

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on financial risk and hedging activities, please refer to Management Discussion and Analysis Report.

(o) Plant Locations

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

Plant-I	Plant-II
60 th K. M. Stone, Delhi–Rohtak Road N. H. No. 10, V & P.O. Kharawar, District Rohtak, Haryana-124001	60 th K. M. Stone, Delhi–Rohtak Road N. H. No. 10, V & P.O. Gandhra, District Rohtak, Haryana-124001
Plant-IV	Plant III (to be started soon)
70 th K. M. Stone, Delhi–Rohtak Road N. H. No. 10, V & P.O. Kharawar, District Rohtak, Haryana-124001	Plot No. 42, 43 & 44, Sector-31B, IMT Rohtak, Haryana

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(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

Exclusive Email id for redressal of investor complaints:

Email: 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 for the financial year 2019-20 and there has been no revision thereto during the said financial year.

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. Suitable disclosure as required Ind AS-24 has been made in the notes to the Financial Statements.</p> <p>The necessary details of related party transaction are prescribed in Form AOC 2 is enclosed with this Annual Report.</p> <p>The POLICY ON DEALINGS & MATERIALITY OF RELATED PARTY TRANSACTIONS placed on the website of the Company.</p>	<p>http://mohindra.asia/mfl/pdfs/DONE-RELATED-PARTY_POLICIES.pdf</p>

Particulars	Regulations	Details	Website Links for details of policy
<p>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</p>	<p>Schedule V Part C Point 10(b) to the SEBI (LODR) Regulations, 2015.</p>	<p>Neither there were any non-compliances, nor any penalties or strictures have been imposed on your company by the Stock Exchanges or SEBI or any statutory 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>	<p>N.A</p>
<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.</p> <p>During the year under review no personnel have either approached the Audit Committee or been denied access to the Audit Committee.</p> <p>The revised Whistle Blower Policy w.e.f. 01.04.2019 can be accessed on the website of the Company.</p>	<p>http://mohindra.asia/mfl/pdfs/vigil-mechanism.pdf</p>

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Particulars	Regulations	Details	Website Links for details of policy
<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"> • 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. • 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. • 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 2019-2020. • Reporting of Internal Auditor: The Internal Auditor reports directly to the Audit Committee of the company. 	<p>N.A.</p>
<p>Accounting Treatment and Compliance with Accounting Standards</p>	<p>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</p>	<ul style="list-style-type: none"> • The Company has followed and prepared the Financial Statements in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed • in India. • The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements. • 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. 	<p>N.A.</p>

Particulars	Regulations	Details	Website Links for details of policy
CEO & MD/ CFO Certification	Regulation 17(8) and Part B of Schedule II of SEBI Listing Regulations	<ul style="list-style-type: none"> The Managing Director & 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, 2020. The Said Certificate is enclosed with the Annual report and annexed as Annexure-A to the Corporate Governance Report. 	N.A.
Auditors' Certificate on Corporate Governance	Para E of Schedule V of SEBI Listing Regulations	A Compliance Certificate from Statutory Auditors M/s B.L. Khandelwal & Co., (Chartered Accountants) of the company, in pertaining to the compliance of conditions of corporate governance is appended as Annexure-B to the Corporate Governance Report.	
Code of Conduct	Para D of Schedule V of SEBI (LODR) Regulations, 2015.	<ul style="list-style-type: none"> The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company. All Board members and senior management personnel have affirmed compliance with the code of conduct. The Code of Conduct has incorporated the duties of independent directors as laid down under the Companies Act, 2013. A declaration signed by the Managing Director is appended as Annexure-C to the Corporate Governance Report. 	http://mohindra.asia/mfl/policies_and_code.html
Certificate from Practicing Company Secretary	Para C of Schedule V of SEBI (LODR) Regulations, 2015.	<ul style="list-style-type: none"> A certificate from a Practicing Company Secretary has to be 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. A Certificate from M/s Anand Nimesh & Associates, Company Secretary in practice, Secretarial Auditors of the company is annexed herewith as Annexure-D to the Corporate Governance Report. 	N.A.

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Particulars	Regulations	Details	Website Links for details of policy
Prevention of Insider Trading	SEBI (Prohibition of insider trading) (Amendment) Regulations, 2018.	<ul style="list-style-type: none"> 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 	http://mohindra.asia/mfl/policies_and_code.html

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 2019-2020.

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 Statutory Auditors M/s B. L. Khandelwal & Co., Chartered Accountants, 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.

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

Regulation No.	Particulars	Compliance Status (YES/NO)
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

The Company has submitted the quarterly compliance reports on Corporate Governance to the Stock Exchange within the timelines prescribed by the SEBI for all the quarters during the financial year 2019-20.

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 31.03.2020**

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74899DL1995PLC064215
2.	Registration Date	10 th 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- 46200444 E-mail address: cs@mohindra.asia Website: www.mohindra.asia
6.	Whether listed company (Yes/No)	Yes, Listed in Metropolitan Stock Exchange of India Limited (MSEI)
7.	Name, Address & Contact details of Registrar & Transfer Agent, if any	Mr. Virender Rana, Director 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: compliances@skylinerta.com

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.	Manufacture of 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.					

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

A) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3524800	37900	3562700	66.51	3550100	12600	3562700	66.51	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	212000	-	212000	3.96	212000	-	212000	03.96	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1) :-	3736800	37900	3774700	70.47	3762100	12600	3774700	70.47	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2) :-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	3736800	37900	3774700	70.47	3762100	12600	3774700	70.47	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	19600	19600	0.37	-	19600	19600	0.37	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	19600	19600	0.37	-	19600	19600	0.37	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	61000	22000	83000	1.55	62500	22000	84500	1.58	
ii) Overseas	-	-	-	-	-	-	-	-	-

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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) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	191300	333400	524700	9.80	169700	319100	488800	9.12	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	933700	-	933700	17.43	963800	-	963800	17.99	
c) Others- Hindu Undivided Family & IEPF	21100	-	21100	0.39	25400	-	25400	0.47	
Sub-total (B)(2):-	1207100	355400	1562500	29.17	1221400	341100	1562500	29.17	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1207100	375000	1582100	29.53	1221400	360700	1582100	29.53	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4943900	412900	5356800	100	4983500	373300	5356800	100	-

B) Shareholding of Promoter/Promoter Group:-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020		
		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	570900	10.66	-	570900	10.66	-
2	Anurag Arneja	580100	10.83	-	580100	10.83	-
3	Ravinder Mohan Juneja	505350	9.43	-	505350	9.43	-
4	Ranbir Singh Narang	428500	8.00	-	428500	8.00	-
5	Sudhir Arneja	392400	7.33	-	392400	7.33	-
6	JP Singh Narang	210700	3.93	-	210700	3.93	-
7	M/s 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	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020		
		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
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	-
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 Shyam L Raheja	100	0.00	-	100	0.00	-
Total		3774700	70.47	-	3774700	70.47	-

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

Sr. No.	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
There is no change in promoters shareholding during the financial year 2019-20							

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	Investor Education & Protection Fund	18600	0.35	Unclaimed shares transferred into IEPF Authority dated 08.11.2019	*3300	0.06	21900	0.41
5	Bank of India A/C BOI Mutual Fund	19600	0.37	N.A.	No Change in shareholding during the year		19600	0.37
6	Hita Chetan Sanghvi	18400	0.34	N.A.	No Change in shareholding during the year		18400	0.34
7	Vishesh Kumar	16500	0.31	N.A.	No Change in shareholding during the year		16500	0.31
8	Ashwani Kumar	16500	0.31	N.A.	No Change in shareholding during the year		16500	0.31
9	Rajiv Batra	12000	0.22	N.A.	No Change in shareholding during the year		12000	0.22
10	Shakuntala Anil Kumar Merchant	11000	0.21	N.A.	No Change in shareholding during the year		11000	0.21

*3300 shares were transferred to IEPF Authority during the FY 2019-20, relating to FY 2011-12 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.

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 (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning (01.04.2019)/end (31.03.2020) of the year	% of total shares of the company				No. of shares	% of total shares of the company
DIRECTORS & KEY MANAGERIAL PERSON								
1	Mr. Ravinder Mohan Juneja (Managing Director)	505350	9.43	01.04.2019	No change in shareholding during the year	N.A.	505350	9.43
				To				
		505350	9.43	31.03.2020				
2	Mr. Deepak Arneja (Managing Director)	570900	10.66	01.04.2019	No change in shareholding during the year	N.A.	570900	10.66
				To				
		570900	10.66	31.03.2020				
3	Mr. Vinod Kumar (Independent Director)	2000	0.04	01.04.2019	No change in shareholding during the year	N.A.	2000	0.04
				To				
		2000	0.04	31.03.2020				
4	Mr. Gagan deep Singh Narang (Non-Executive Director)	65300	1.22	01.04.2019	No change in shareholding during the year	N.A.	65300	1.22
				To				
		65300	1.22	31.03.2020				
5	Mr. Ved Prakash Chaudhry	100	0	01.04.2019	No change in shareholding during the year	N.A.	100	0.00
				To				
		100	0	31.03.2020				
6	Mrs. Shamoli Thakur (Women Independent Director)	NIL Shareholding, Since her appointment in the Company.						
7	Mr. Sunil Mishra (Chief Financial Officer)	500	0.01	01.04.2019	No change in shareholding during the year	N.A.	500	0.01
				To				
		500	0.01	31.03.2020				
8	Ms. Nidhi Pathak (Company Secretary)	NIL Shareholding, Since her appointment in the Company.						

MOHINDRA FASTENERS LIMITED

V. INDEBTEDNESS

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1780.45	-	-	1780.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1780.45	-	-	1780.45
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	491.17	-	-	491.17
Net Change	(491.17)	-	-	(491.17)
Indebtedness at the end of the financial year				
i) Principal Amount	1289.28	-	-	1289.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1289.28	-	-	1289.28

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR FY 2019-20.

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	37,64,418	35,96,418	73,60,836
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,64,418	35,96,418	73,60,836
	(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	-	-	-
Total (A)		37,64,418	35,96,418	73,60,836
Ceiling as per the Act		Rs. 1,28,24,392 (10% of the net profits of the Company for the year ended March 31, 2020 computed as per Section 198 of the Companies Act, 2013.)		

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	Shamoli Thakur	Gagandeep Singh Narang	
1	Non Executive Directors	Independent	Independent	Independent	Non-Independent	
	Fee for attending board/ committee meetings	30000	30000	10000	10000	80000
	Commission					
	Others, please specify					
	Total (B)	30000	30000	10000	10000	80000
	Total Managerial Remuneration (A+B)	Rs. 74,40,836 (Rupees Seventy Four Lakhs Forty Thousand Eight Hundred and Thirty Six Only)				
Overall Ceiling as per the Act	Rs. 1,41,06,831 (11% of the net profits of the company for the year ended March 31, 2020 computed as per section 198 of the Companies Act, 2013.)					

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	Gross salary:	25,25,418	7,53,418	32,78,836
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,25,418	7,53,418	32,78,836
	(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	-	-	-
	Total	25,25,418	7,53,418	32,78,836

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

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.

For and on behalf of the Board

Place: New Delhi

Date: 11.08.2020

(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 2019-20 are as follows:

Name of Director/KMP	Remuneration of Director/KMP for Financial year 2019-20 (P.A) (Rs. in Lakhs)	Ratio of remuneration of each director/to median remuneration of employees	% increase in remuneration in the financial year 2019-2020
Mr. Ravinder Mohan Juneja Managing Director	35.96	13.49	09.62
Mr. Deepak Arneja Managing Director & CEO	37.64	13.49	09.62
Mr. Gagandeep Singh Narang Non- Executive Director	----	*0.42	----
Mr. Vinod Kumar Non-executive Independent Director	----	*1.27	----
Mr. Ved Prakash Chaudhary* Non-executive Independent Director	----	*1.27	----
Mrs. Shamoli Thakur Non-executive Independent Director	----	*0.42	----
Mr. Sunil Mishra Chief Financial Officer	25.25	Not Applicable	7.69
Ms. Nidhi Pathak Company Secretary	7.53		14.81

Note: Except Key Managerial Personnel i.e. Managing Director, Chief Financial Officer & Company Secretary, no other directors received any remuneration from the Company other than sitting fees for attending the meetings of the Board of Directors.

***The ratio of remuneration of each director other than key Managerial personnel to median remuneration of the employees are calculate on the basis of sitting fees and percentage increase in remuneration of each Director other than key Managerial personnel is not provided.**

- (ii) The median remuneration of employees of the Company during the financial year 2019-20 was Rs. 23650 on the basis of monthly remuneration of all employees except the executive directors of the company.
- (iii) In the Financial year, there was an increase of 13.70% in the median remuneration of Employees.
- (iv) There were 335 Permanent Employees on the rolls of Company as on 31st March, 2020.

MOHINDRA FASTENERS LIMITED

- (v) Average percentile increase already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentage increase in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 2.72% whereas the increase in the managerial remuneration for the same financial year was 9.51%. 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 Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

- (vi) **During the financial year 2019-20, 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 2019-20, 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 2019-20 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 2019-20 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 2019-20, 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 lakhs rupees per year or five lakhs 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)	2,10,000	Pay Roll	B.COM, LLB More than 34 years of Experience	11/1/1996 58 years	-	500	-
2.	Mr. Dheeraj Juneja (G.M.(Supply Chain Management))	1,96,500	Pay Roll	Senior Secondary 17 years of Experience	10/1/2000 38 years	RR Metal Finishers	157100	Son of Mr. Ravinder Mohan Juneja (Managing Director)
3.	Mr. Anurag Arneja (Director-operations)	1,96,000	Pay Roll	Graduate in Arts 29 years of Experience	4/1/2014 53 years	MSPL, Delhi	580100	-

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
4.	Mr. Prateek Arneja (G.M (Sales And Marketing))	1,92,500	Pay Roll	MBA in Marketing 16 years of Experience	11/1/2005 38 years	SKOL Breweries Limited	26700	-
5.	Mr. Sudhir Arneja (Director-Operation)	1,84,900	Pay Roll	B.com & M.A. 42 years of Experience	4/1/1999 65 years	MSPL, Delhi	392400	Brother of Mr. Deepak Arneja (Managing Director & CEO)
6.	Anil Kumar Verma (D.G.M.)	1,67,700	Pay Roll	Diploma in Mechanical Engineering 27 years of Experience	2/4/2014 49 years	LPS Ltd., Rohtak	100	-
7.	Mr. Robins T. Perumpanany (SR. Manager (Prod.))	1,52,000	Pay Roll	3 years Diploma in Tools & die 34 years of Experience	09/11/2017 54 years	UPS Ltd Rohtak	-	-
8.	Mr. R. Srinivasan (A.G.M.)	1,18,000	Retainership	B.SC. 41 Years of Experience	08/01/2017 63 Years	Caparo Fasteners Bhiwadi	100	
9.	Mr. Mukesh Kumar Yadav (Sr. Manager- H.T & Metallurgy)	1,10,410	Pay Roll	B.E. (Metallurgy) & M.Sc (Comp. Science) 17 Years of Experience	16/09/2015 42 Years	Nipman Fasteners (Manesar & Bawal)	-	-
10.	Mr. Ramesh Tukaram Ranade (Manager (ENGG & T.M.S))	1,10,000	Pay Roll	B.E (Production) 27 Years of Experience	07/20/2018 53 Years	Dham Fasteners Pvt. Ltd.	-	-

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 19-20 for easy and fair calculations.

For and on behalf of the Board

Place: New Delhi
Date: 11.08.2020

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

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

DECLARATION OF INDEPENDENCE

16th May, 2019

To,
The Board of Directors
Mohindra Fasteners Limited
304, Gupta Arcade, Inder Enclave,
Delhi-Rohtak Road,
New Delhi-1100087

Sub: Declaration of independence under 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 and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as & when it may be notified.

I hereby certify that:

- (i) I am a person of integrity and possesses relevant expertise and experience;
- (ii) Neither I was nor I am a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the company;
- (iii) Neither I was nor I am related to promoters or directors in the company, its holding, subsidiary or associate company;
- (iv) Apart from receiving director's sitting fees, I have/had no material pecuniary relationship/transactions 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;
- (v) 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 from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (vi) Neither me nor any of my relatives:
 - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (A) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - 1) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - 2) 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;
 - (B) holds together with my relatives 2% or more of the total voting power of the company; or

- (C) 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
- (D) a material supplier, service provider or customer or a lessor or lessee of the company;
- (vii) I am not less than 21 years of age.
- (viii) I am not a non-independent director of another company on the board of which any non-independent director of the company is an independent director.
- (ix) Neither I was nor I am aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact my ability to discharge my duties with objective independent judgments and without any external influence.

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,

Vinod Kumar

DIN: 02303504

11096, Doriwalan East Park Road,

Karol Bagh, New Delhi

DECLARATION OF INDEPENDENCE

16th May, 2019

To

The Board of Directors

Mohindra Fasteners Limited

304 Gupta Arcade, Inder Enclave,

Delhi-Rohtak Road,

New-Delhi-1100087

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

I, Ved Prakash Chaudhary, hereby certify that I am a Non-executive Independent Director of Mohindra Fasteners Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as & when it may be notified.

I hereby certify that:

- (i) I am a person of integrity and possesses relevant expertise and experience;
- (ii) Neither I was nor I am a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the company;
- (iii) Neither I was nor I am related to promoters or directors in the company, its holding, subsidiary or associate company;
- (iv) Apart from receiving director's sitting fees, I have/had no material pecuniary relationship/transactions 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;
- (v) 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 from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (vi) Neither me nor any of my relatives:
 - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (A) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - 1) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - 2) 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;
 - (B) holds together with my relatives 2% or more of the total voting power of the company; or
 - (C) 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
 - (D) a material supplier, service provider or customer or a lessor or lessee of the company;
- (vii) I am not less than 21 years of age.

- (viii) I am not a non-independent director of another company on the board of which any non-independent director of the company is an independent director.
- (ix) Neither I was nor I am aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact my ability to discharge my duties with objective independent judgments and without any external influence.

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,

Ved Prakash Chaudhry

DIN: 07572208

B-3, Poojari Appartment, Shiv Vihar,

Paschim Vihar, Delhi-110087

DECLARATION OF INDEPENDENCE

18th May, 2019

To
The Board of Directors
Mohindra Fasteners Limited
304 Gupta Arcade, Inder Enclave
Delhi-Rohtak Road
New-Delhi-1100087

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

I, **Shamoli Thakur**, hereby certify that I am a Non-executive Independent Women Director of Mohindra Fasteners Limited and comply with all the criteria of independent director envisaged under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as & when it may be notified.

I hereby certify that:

- (i) I am a person of integrity and possesses relevant expertise and experience;
- (ii) Neither I was nor I am a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the company;
- (iii) Neither I was nor I am related to promoters or directors in the company, its holding, subsidiary or associate company;
- (iv) Apart from receiving director's sitting fees, I have/had no material pecuniary relationship/transactions 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;
- (v) 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 from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (vi) Neither me nor any of my relatives:
 - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (A) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - 1) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - 2) 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;
 - (B) holds together with my relatives 2% or more of the total voting power of the company; or
 - (C) 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
 - (D) a material supplier, service provider or customer or a lessor or lessee of the company;
- (vii) I am not less than 21 years of age.

- (viii) I am not a non-independent director of another company on the board of which any non-independent director of the company is an independent director.
- (ix) Neither I was nor I am aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact my ability to discharge my duties with objective independent judgments and without any external influence.

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 17A,

Gurgaon- 122001, Haryana

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

**FORM MR-3
SECRETARIAL AUDIT REPORT**

(For the financial year ended 31st March, 2020)

[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, 2020, (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, 2020 (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, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 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 & amendments thereunder 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 (Share Based Employee Benefits) Regulations, 2014;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

Requiring compliance thereof by the company and were not applicable during the financial year ended, 31st March, 2020 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.

We further report that:

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

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

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

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

MOHINDRA FASTENERS LIMITED

We further report that, during the audit period:-

1. The Company has made re-appointment of Mr. Vinod Kumar (DIN: 02303504) as an Independent Director of the Company during the financial year under review.
2. The Company has made re-appointment of Mr. Deepak Arneja (DIN: 00006112) as Managing Director & CEO of the Company during the financial year under review.
3. The Company has made re-appointment of Mr. Ravinder Mohan Juneja (DIN: 00006496) as Managing Director of the Company during the financial year under review.
4. The Company has made increase in Authorised share capital and consequent amendment the Memorandum of Association of the Company during the financial year under review.

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

**Anand Kumar Singh
(Partner)
M. No-24881
COP-9404
UDIN-A024881B000415249**

**Date: 04/07/2020
Place: Delhi**

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

‘ANNEXURE A’

To,

The Board of Director

MOHINDRA FASTENERS LIMITED

304 Gupta Arcade, Inder Enclave

Delhi-Rohtak Road, New Delhi-110041

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit to the extent there are shown to us during the Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
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.
7. During the audit period a virus infectious disease called Coronavirus (COVID-19) was spread over the world which was declared as a global pandemic by the World Health Organization (WHO). Further, in the Month of March, 2020, the Indian government announced a strict 21-day lockdown which was further extended by several times across the country to contain the spread of the virus. Due to COVID- 19 pandemic impact, physical movement of human was strictly prohibited during said period, hence we cannot access the Manufacturing units/ Registered office and other Business places of the company for the audit purpose and compliance documents for aforesaid units/offices were asked/obtained and access/verified through electronic mode. A management clarification was obtained for certain point of time as and when it was required for Audit purpose.

For Anand Nimesh & Associates

(Company Secretaries)

ANAND KUMAR SINGH

(Partner)

M. No-24881

COP-9404

UDIN-A024881B000415249

Date: 04/07/2020

Place: Delhi

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

FORM NO. AOC -2

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

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

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

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

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

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

Note: Since, 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

(Deepak Arneja)

DIN: 00006112

Chairman cum Managing Director & CEO

Place: New Delhi

Date: 11.08.2020

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

REPORT ON 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:

Company continues its efforts to reduce and optimize the energy consumption at all its manufacturing facilities, including offices at Delhi by adopting innovative measures to reduce wastage and optimise consumption.

Significant reduction in energy consumption has been achieved by various means as shown hereunder:

- 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.
- Use of Fork Lifter in handling of Material in Final Inspection area is fully eliminated by the introduction of Manual pallet, thereby saving the fuel.
- 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.

(i) 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.
- Replacing old 2/3-star Air Conditioners with 5 Star and setting the room Air Conditioners at a temperature of 24°C or more.
- Water from ETP reuse in gardening.
- Elimination of polythene bags in packaging of zinc pallet.
- Usage of reusable of Euro pallets instead of single use of wooden pallets for shipments.
- 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.

(ii) 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 19-20 was 8.12 in comparison of 8.19 in previous year.
- The rate per litre for fuel consumption for the FY 19-20 was 65.14 in comparison of 68.08 in previous year.
- The rate per kilogram for gas consumption for the FY 19-20 was 52.16 in comparison of 52.89 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
 - ISO 17025:2017
- 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, Turkey and some other Asian and east European countries. The Company has well diversified portfolio of customers in 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 Lacs)
Foreign exchange earnings	6403.46
Foreign exchange expenditure	362.13

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

Date: 11.08.2020

(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 & 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 & skill development and environment sustainability.</p> <p>The Company has formed a CSR Policy pursuant to the Companies Act, 2013. Our corporate social responsibility policy can be accessed at cs@mohindra.asia.</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"> i. Making a positive impact on society through economic development and reduction of our resource footprints; 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. <p>CSR activities were implemented by the in-house CSR committee members through "People for Animals" a registered Society (Non-Profit Organisation) registered under Society Registration Act, 1860, having registered office at 14, Ashoka Road, New Delhi-110001.</p>
<p>2. The Composition of the CSR Committee</p>	<ol style="list-style-type: none"> 1. Mr. Deepak Arneja (Chairman cum Managing Director & CEO) 2. Mr. Ravinder Mohan Juneja (Managing Director) 3. Mr. Vinod Kumar (Non Executive Independent Director)
<p>3. Details of implementing agency</p>	<p>"People for Animals" situated at 14, Ashoka Road, New Delhi-110001.</p>
<p>4. Average net profit of the company for last three financial years</p>	<p>Rs. 9,67,34,459 (Rupees Nine Crores Sixty Seven Lakhs Thirty Four Thousand Four Hundred and Fifty Nine only)</p>
<p>5. Prescribed CSR Expenditure (two percent of the amount as in item 4 above)</p>	<p>19,34,690 (Rupees Nineteen Lakhs Thirty Four Thousand Six Hundred & Ninety 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>(b) Amount unspent, if any;</p> <p>(c) Manner in which the amount spent during the financial year is detailed below.</p>	<p>19,50,000 (Rupees Nineteen Lakhs & Fifty Thousand only) during Financial Year 2019-20.</p> <p>NIL</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

Date: 11.08.2020

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

Annexure to the Point 6(c)

Sr. No.	Particulars	Details
(1)	CSR project or activity identified	Financial Assistance for Animal Welfare activities including hospitals & ambulance services, providing shelters for animals, supporting sterilization programs, animal rescuing activities and other related activities.
(2)	Sector in which the project is covered	Animal Welfare
(3)	Projects or Programme 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Other:- Delhi and NCR
(4)	Total Amount Outlay (budget project or Programme wise)	19,50,000 (Rupees Nineteen Lakhs & Fifty Thousand only)
(5)	Total Amount spent on the project or Programme Sub Heads; 1. Direct expenditure on projects or programmes 2. Overheads	19,50,000 (Rupees Nineteen Lakhs & Fifty Thousand only)
(6)	Total Cumulative expenditure up to the reporting period	19,50,000 (Rupees Nineteen Lakhs & Fifty Thousand only)
(7)	Amount Spent direct or through implementing agency	Through Implementing agency called People for Animals , a Registered Society.

By order of the Board

Place: Delhi
Date: 11.08.2020

(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 2019–2020.

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 into significant business; both in the domestic and the overseas markets.

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

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

The financial statements are prepared on accrual and going concern basis and in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, as amended, provisions of the Companies Act, 2013. The management of MFL has used various estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit for the year.

ECONOMIC ENVIRONMENT

In 2019, India became a USD 2.7 trillion economy, having added one trillion US dollars in the last five years. The Economic Survey of the government outlined the blueprint to achieve the vision of making India a USD 5 trillion economy by 2024-25. Following the path, India's rank in the World Bank's ease of doing Business 2020 survey has consistently improved over last three years and stands at 63, among 190 countries, making it the one of world's top 10 most improved countries for the third consecutive time.

As per the Central Statistics Organization (CSO) in its second advance estimates, the GDP growth was retained at 5 percent in 2019-20; however final numbers are likely to be worse than expectations due to sharp contraction in economic activities in March due to COVID-19. As per Moody's (a global rating company), India's GDP growth rate for 2020-21 is expected to be at Zero over 2019-20; mainly led by steep deterioration in business activities and sharp contraction in consumption trend due to disruption led by COVID-19. However, on a positive note, it has forecasted India's GDP growth rate to bounce back to 6.6 percent in 2021-22.

Global growth outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy easing and fiscal support from governments. These policy support measures would act as cushions offsetting weakness in growth to some extent. However, global economic activity is likely to contract in 2020 and global growth environment will remain challenging in the short term.

INDUSTRIAL STRUCTURE AND DEVELOPMENT

Automotive Fastener Market size exceeded USD 21 billion in 2019 and is anticipated to witness over 4.4% CAGR between 2020 and 2026. The prospering automobile industry and essential significance of fasteners in various vehicles will drive the market growth. (source: www.gminsights.com)

MOHINDRA FASTENERS LIMITED

However, the fall in global automobile industry since 2018 may prove to be a hindering factor in the growth of the automotive fastener market. Also, the spread of COVID-19 has affected the global economy negatively, which would directly affect the market in near future.

The Indian automobile sector registered a drop of nearly 18 percent in domestic sales in the financial year 2019-20 (data released by Society of Indian Automobile Manufacturers SIAM). India is the world's largest two-wheeler maker, and the shaky macro-economic environment in the country saw volumes falling by 17.76 percent from 21,179,847 units in FY 2018-19 to 17,417,616 in FY 2019-20.

In the last month of FY 2019-20, due to the ongoing coronavirus pandemic-related lockdown and the BS-IV to BS-VI transition, the industry witnessed one of its sharpest decline in domestic sales.

The month of March 2020 was one of the most challenging months for the auto sector as the 21-day lockdown starting from 25.03.2020 resulted in the production and sales of vehicles coming to a standstill in the last week of March 2020. As the revenue took a severe hit, the OEMs struggled to meet fixed cost and working capital requirements. A lot of Tier I and Tier II vendors, who form a backbone of the supply chain to OEM's were equally or even more impacted.

The Indian auto industry has already been reeling under severe de-growth, and the pressure of disrupted supply chain only aggravated the situation. As per SIAM's estimates, the auto industry is losing Rs. 2,300 crore in production turnover for every day of closure.

The auto industry is engaged in a dialogue with the Indian government on policy measures which could minimise the impact of COVID-19 on the Indian economy, and especially the Indian automobile industry. There would be challenges on the supply side, demand side, and also on the issue of availability of finance, which would all need to be addressed to bring back growth in the sector. The Government did announce a package to bring the industry on its own two feet but it is taking a fairly long time.

Globally fasteners market is expected to remain volatile in Q1 & Q2 of 2020 primarily due to temporary shutdown of major manufacturer locations and end use industries caused by the outbreak of COVID-19.

Global Fasteners Market Size is currently estimated around \$98.9 Billion (2019 E) and expected to grow at a CAGR of 5.0–6.0 percent to \$110.2 Billion by 2021(Source: beroeinc.com/category-intelligence/fasteners-market/)

OPPORTUNITIES

In India the Industrial climate is generally improving and the federal government of the day is working to make things happen. The pet project of the government for promoting manufacturing in India via "Make in India" initiative is delivering results, albeit slowly. From the fasteners perspective, India will get tough competition from Taiwan, Thailand, Vietnam, Malaysia in the medium term. However India with its large population and a young workforce can prove to be game changer for India, if harnessed well. A lot of Indian companies are forging long term alliances with their customers/potential partners overseas. This will be a WIN-WIN situation for the Indian suppliers and overseas customers.

A lot of shift is expected in mobile phones & other allied manufacturing from China to India. This will throw open a lot of opportunities.

The company's continued investments towards adding new customers, development and manufacture of new products are expected to result in further improvement in performance in the years to come.

We are looking to add our capacities in the form of a greenfield expansion in the next 18-24 months which will increase our capacities by about 30%. We are exploring opportunities for new and long term relationships with new customers in the world markets.

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 due to increased automotive manufacturing in the country. It is followed by the construction and the engineering sector. Companies that can custom design and manufacture special fasteners for end users and specialized applications will have competitive advantage over others.

THREATS

- Threat of new entrants.
- Threat to business continuity in country and worldwide markets due to current and a new wave of COVID-19.

- Increasing use of novel threaded & plastic fasteners and rising demand of light weighting in the automotive fasteners.
- Poor availability of skilled labour and technology innovations is one of the threats which exist in the Indian Fastener sector.
- The Price increase/decrease in fasteners' raw material.
- Spurious and low quality fastener affects longevity adversely, and may result in accidents with catastrophic consequences.
- 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.
- Emergence of 3D printing (additive manufacturing) as an alternative to low volume fasteners.

The COVID-19 pandemic has disrupted the supply chain worldwide, which has negatively impacted the market for Fasteners industries. However, many industry experts have an opinion that it is a short-term problem and might be mitigated by Q3 or Q4 of 2020.

Even in Export market, we face severe competition from South East Asian Countries such as China, Taiwan, Malaysia, Vietnam, Thailand, Turkey & Eastern European Countries.

CHALLENGES

Today, fastener manufacturers are facing a lot of challenges. There are certain restrictions and specifications that need to be followed by the manufacturers, due to difficulties in the manufacturing process. The lack of standardization across user industries is also a big challenge. The increase in price of steel, the raw material for manufacturing high-tensile fasteners, could, however, put margins under pressure. Nonetheless, the demand for fasteners is expected to increase in the coming years. The expected growth in the sales of automobiles around the world, especially in India will fuel the market's growth prospects of fasteners.

For the Indian automotive sector these two years (FY20 and FY21) are challenging times on account of slow economic growth, negative consumer sentiment, BS-VI transition, changes to the axle load norms, liquidity crunch, low capacity utilisation and potential bankruptcies and outbreak of COVID-19 pandemic.

There is a reduced demand in destination markets, restriction of movement of persons in order to stop spread of COVID-19, disruptions of supply capacity, US-China trade tensions, coupled with Brexit uncertainties and economical cyclical patterns are affecting the international trade currently.

However, the impact assessment of economic slowdown and COVID-19 is a continuing process given the uncertainties associated with its nature, duration and the extent covering almost the whole world.

Overall, the balance period of the financial year, of 2020–2021, is likely to be difficult but we do hope the business situation should normalize from the 3rd to 4th Quarter of this year.

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

- Company has added new customer, new product lines and developed medium to long term contracts for special products and applications, despite the slowdown.
- Combination of hot and cold forging under one roof.
- Turning, Milling, Grinding and Drilling in the same premises.
- More than 50% of Tonnage is exported.
- Entering into the new markets.

MOHINDRA FASTENERS LIMITED

- Experience and highly skilled workforce.
- Well diversified portfolio.
- Quality & process certifications add credibility.

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

Geographically, the global automotive fasteners market has been segmented into the four major regions of North America, Europe, Asia-Pacific, and the Rest of the World. The global automotive fastener market in Asia-Pacific is expected to grow during the forecast period followed by Europe. Developing countries such as China and India and developed countries such as Japan that are the major hubs for automotive industry, will boost the market share for Asia-Pacific. Growing automotive fasteners sales in the aftermarket will further enhance the sales in Asia-Pacific market. In Europe, the increased manufacturing of vehicles is expected to increase the demand for automotive fasteners which will enhance the market in the future.

Besides, the MRO (Maintenance, Repair and Overhaul) industry is doing quite well and it generates a huge demand in Engineering, Railways and Construction industries. The company has a major share of Export business in the above mentioned segments.

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

RISKS & CONCERNS

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

The Company's principal financial assets include short terms arrangements, trade and other receivables, cash and short-term bank deposits that derive directly from its operations.

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The financial risk management for the Company is driven by the Company's senior management subject to necessary supervision. The Company's risk management strategies focus on the unpredictability of the financial environment and seek to mitigate its potential adverse effects on the financial performance of the Company.

The Company's all operating divisions 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, credit, liquidity and certain other price risks, which result from both its operating and investing activities.

b) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted. 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, two customers' form more than 10% of the company's total 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, 2020, the top 10 customers accounted for approximately 60% (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)

	As at 31st March, 2020	As at 31st March, 2019
More than 180 days	48.96	135.53
Not More than 180 days	1334.26	2481.97
Total (Refer Note. 6(b) & 10)	1383.22	2617.50

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 short term debt obligations with floating interest rates as the company has zero long term debt obligations.

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).

No Forward contracts were entered into by the company either during the year or previous years since the company has very minimum exposure to foreign currency risk.

e) Equity price risk

The Company's investments are in listed equity securities. Equity risk is the risk involved in the changing prices of stock investments in the share market. 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. 5.12 Lacs (31st March, 2019: Rs. 12.55 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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

The company does not have any long term debt outstanding as on 31.03.2020. The Company assessed the concentration of risk with respect to refinancing its short term 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 analysis of the Company's Trade Payable, Lease Liabilities on account of transition to Ind AS 116 and financial liabilities except short term borrowing repayable on demand:

(₹ in Lacs)

Year ended 31st March, 2020	Less than one year	More than one year
Interest-bearing borrowing except short term Borrowings	Nil	Nil
Other financial liabilities	14.96	Nil
Lease Liabilities	11.41	24.89
Trade Payables	1723.45	9.92

(₹ in Lacs)

Year ended 31st March, 2019	Less than One year	More than one year
Interest-bearing borrowing except short term borrowings	Nil	Nil
Other financial liabilities	35.26	Nil
Lease Liabilities	Nil	Nil
Trade Payables	2103.43	0.76

h) Other risk – Impact of COVID-19

The outbreak of the deadly Covid-19 pandemic, followed by the lockdown in the country has adversely affected the business operations of the Company. The partial lockdowns & remote working in overseas Countries has also resulted in lower business opportunity for the Company. Due to the rapid spread of the Covid-19 in the Country, the health of the employees and workers of the Company has become priority of the Company over the business operations. The Company's operations were hit during the period of lockdown, as there was no production during this period. Although company resumed its manufacturing operation from April 27 but our manufacturing plants are operating at 50 or 60% of its production capacity only. In the initial days, we were running our operations with limited workforce, as stipulated by the Government. This unproductive lockdown has resulted in the financial burden for the Company as company's green field project (construction of new Plant) has been deferred for atleast 6-9 months due to outbreak of this covid-19 pandemic although there is no impact seen on capital & financial resources of the company because the Company has no long term debt and the utilization of working capital is well within the bank limits. At present we do not foresee any major adverse impact on the supply chain side of the company. The company has considered such impact to the extent known and available currently but not limited to profitability, supply chain, financing arrangements & demand of its products & etc. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature, duration and the extent covering almost the whole world. Overall, the balance period of the financial year, of 2020–2021, is likely to be difficult but we do hope the business situation should normalize from the 3rd and 4th Quarter of this year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes in systematic working and placing of proper checks. The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly. As a process, the systems and controls are benchmarked with the industry standards and are suitably modified to meet the organization's requirements.

The internal auditors of the company conducts audit of various department and areas. The Internal Audit Department reports its findings and observations to the Audit Committee which meets to review the audit issues and to follow up implementation of corrective actions. The statutory auditors also provide assurance on the adequacy of the internal control systems in the Company.

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 financial year 2019-20; your company has earned revenue from operations Rs. 10147.79 Lakhs (Previous year Rs. 13483.37 Lakhs) and net profit of the company was Rs. 936.77 Lakhs (Previous year Rs. 910.39 Lakhs).

Financial Performance:

In this year, before the breakout of COVID-19, the macro-economic environment had been challenging with lower GDP growth rates, liquidity crunch, and peaking unemployment rate. This is reflected in sluggish demand and weakening consumer sentiment. The significant decline in the volume of passenger vehicles and commercial vehicles segment during the year due to economic slowdown and the Coronavirus pandemic outbreak during March 2020 has impacted the sales performance during the fiscal year 2019-20.

During the year, EBITDA (Profit before interest, taxes, depreciation and amortization) was at Rs. 1618.70 Lakhs as against Rs. 1726.01 Lakhs in the previous year, a decrease of 6.22%. Financing costs amounted to Rs. 55.46 Lakhs (Rs. 127.36 Lakhs). Finance costs have been lower as company still enjoys its Zero Debt status. The running loans are at competitive interest rates. This is reflected in lower finance costs.

MFL has earned a net profit of Rs. 936.77 Lakhs an increase of 2.90% as compared to previous year, for the year ended March, 2020, despite a slowdown in the automotive industry. The significant decline in the volume of passenger vehicles and commercial vehicles segment during the year due to economic slowdown and the Coronavirus pandemic outbreak during March 2020 has impacted the sales performance during the fiscal year 2019 - 20.

KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

The Company has identified the following ratios as key financial ratios:

Sr. No.	Key Ratios	Unit of measurement	As on 31st March, 2020	As on 31st March, 2019
1	Debtors Turnover	Days	73.17	66.92
2	Inventory Turnover	Days	76.92	63.94
3	Interest Coverage Ratio	Times	22.80	10.45
4	Current Ratio	Times	1.86	1.51
5	Debt Equity Ratio	Times	0.22	0.34
6	Operating Profit Margin	%	13.01	10.37
7	Net Profit Margin	%	9.64	7.09
8	Return on Net worth	%	20.53	23.14

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios.

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

Human Resources Department (“HRD”) works continuously for maintaining healthy working relationship with the workers and other staff members. The underlying principle is that workers and staff at all levels are equally instrumental in attaining the Company’s goals. Training programmes are regularly conducted to update their skills

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and apprise them of latest techniques. Senior management is easily accessible for counselling and redressal of grievances. The HR department continuously strives to maintain and promote harmony and co-ordination among workers, staff and members of the senior management. The total number of employees as on 31st March, 2020 was 335.

Considering the health and safety of the employees of the Company and in line with the advisories, orders and directions issued by both State and Central Government in order to prevent the spread the coronavirus (COVID 19) outbreak, the Company has suspended its manufacturing or working operations at plants and offices till the lockdown period. Further the Company has also encouraged practice of Work from Home to ensure the safety of employees. The HR department of the Company is continuously in touch with the employees to guide them and solve their problems. The HR Department of the Company has continuously created the awareness of COVID 19 among the employees of the Company through E-mails and has also educated the employees in respect of personal hygiene and precautions which needs to be taken in this situation of pandemic. In view of the Pandemic COVID-19, the Company has taken utmost care in maintaining health & safety guidelines in line with the guidelines issued by MHA. Accordingly the Company had prepared a detailed Standard Operating Procedure (SOP) to ensure all its employees stay safe at workplace. The company believes that Human Resources are its key assets.

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, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

By order of the Board

Place: New Delhi

Date: 11.08.2020

(Deepak Arneja)

DIN: 00006112

**Chairman cum
Managing Director & CEO**

**ANNEXURE “A”
TO THE CORPORATE GOVERNANCE REPORT**

**CEO/CFO CERTIFICATION
REGULATION 17(8)**

**To,
The Board of Director
Mohindra Fasteners Limited**

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Mohindra Fasteners Limited (“the company”), to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the company 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.

Date:- 29.06.2020

Place:- Rohtak

(Sunil Mishra)

Chief Financial Officer

(Deepak Arneja)

Managing Director & CEO

DIN: 00006112

**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, 2020, 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 the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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: New Delhi

Date: 11.08.2020

**B. L. Khandelwal
Partner
(Membership No. F12331)
(UDIN: 20012331AAAAEM2302)**

ANNEXURE “C”
TO THE CORPORATE GOVERNANCE REPORT
DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT

To,
The Members of Mohindra Fasteners Limited

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. The same is available on the Company’s website.

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Senior Management personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, and the Company Secretary as on March 31, 2020.

Place: New Delhi
Date: 11.08.2020

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

MOHINDRA FASTENERS LIMITED

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** and having registered office at 304 Gupta Arcade, Inder Enclave Delhi-Rohtak Road, New Delhi-110087 (hereinafter referred to as ‘the Company’), 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) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that **none of the Directors on the Board of the Company as stated below for the financial year ended 31st March, 2020 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

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For Anand Nimesh & Associates
Company Secretaries

Place: New Delhi

Date: 11.08.2020

Anand Kumar Singh
(Partner)

M. No. -24881

COP No.: 9404

(UDIN: A024881B000609454)



B.L.KHANDELWAL & CO.

CHARTERED ACCOUNTANTS

1, Doctors Lane, Gole Market, New Delhi 110001

Ph:-Office: 23742151/23744372/Resi:-27561073, (M): 9810354277, E-mail id: blkhandelwal@yahoo.com

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, 2020, 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 given 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, of the State of affairs of the Company as at March 31, 2020, the Profit and total comprehensive income, Changes in Equity and its 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 ethical 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.



B.L.KHANDELWAL & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT (Contd.)

Revenue recognition See Note 23 to the financial statements:

Sr. 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>Our audit procedures included:</p> <ul style="list-style-type: none">• We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts by comparing with applicable accounting standards.• 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.• 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.• 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.• 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.



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INDEPENDENT AUDITOR'S REPORT (Contd.)

Provision for taxation, litigation and other significant provisions

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

Sr. 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 judgment 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">• We tested the effectiveness of controls around the recognition of provisions.• 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.• 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.• We discussed the status in respect of significant provisions with the Company's internal tax and legal team.• We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

Assessment of contingent liabilities relating to litigations and claims

See Note 34 to the financial statements:

Sr. 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</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We tested the effectiveness of controls around the recording and re-assessment of contingent liabilities.• 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.• 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.• We assessed the adequacy of disclosures made.



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INDEPENDENT AUDITOR'S REPORT (Contd.)

	be provided as liability, is inherently subjective.	<ul style="list-style-type: none">• We discussed the status in respect of significant provisions with the Company's internal tax and legal team.• We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.
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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 Annual Report, 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 including other comprehensive income, changes in equity and Cash Flows of the Company in accordance accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.



INDEPENDENT AUDITOR'S REPORT (Contd.)

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.
- 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 with reference to financial statements 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.

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 them all 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.

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.



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INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure - "B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with 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 read with Schedule V 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

Place: Delhi

Date: June 29, 2020

B.L. Khandelwal

Partner

Membership No. F12331

(UDIN: 20012331AAAADT4076)



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, 2020

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, 2020

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
(b) Property, Plant & Equipment is 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 (excluding stock lying with third parties and Goods in transit) has been physically verified, at reasonable intervals during the year by the management. In respect of inventories lying with third parties, these have substantially been confirmed by them. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
3. According to information and explanation given to us, 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. Accordingly, the provision of clause 3(iii) (a), (b) and (c) of the order are not applicable to the company.
4. During the year, the company has not granted any loan nor provided any security. The Company has not made any investment during the year. Hence reporting on whether there is compliance with provisions of section 185 and 186 of the Companies Act, 2013 on these aspects does not arise.
5. According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Companies Act, 2013; any other relevant provisions of the Act and relevant rules framed thereunder.
6. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that *prima-facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, 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, 2020 for a period of more than six months from the date they became payable.
8. Based on our verification and according to the information and explanations furnished by the management, the company has not defaulted in repayment of dues to its banks. The Company did not have any outstanding loans or borrowings from financial institutions or government. The company has not issued debentures and hence question of reporting delay in repayment of dues does not arise.
9. Based on our verification and according to the information and explanations furnished by the management, 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. The company has not availed term loan during the year. Hence reporting on utilization of such money does not arise.



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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, 2020 (Contd.)

10. Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations furnished to us, managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The company is not a Nidhi company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
13. (a) In our opinion and according to the information and explanations furnished to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013.
(b) The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer note no. 35 to the financial statements.
14. In our opinion and according to the information and explanations furnished to us, during the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013.
15. In our opinion and according to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with them and hence Provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
16. The company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Delhi

Date: June 29, 2020

B.L. Khandelwal
Partner
Membership No. F12331
(UDIN: 20012331AAAADT4076)



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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, 2020

(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, 2020 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 with reference to financial statements 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 with reference to financial statements includes those policies and procedures that;



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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, 2020 (Contd.)

- 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;
- 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to over financial statements 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 with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Delhi

Date: June 29, 2020

B.L. Khandelwal
Partner
Membership No. F12331
(UDIN: 20012331AAAADT4076)

BALANCE SHEET AS AT 31st March, 2020

(₹ in Lacs)

Particulars	Note	As at 31 st March, 2020	As at 31 st March, 2019
I. ASSETS			
(1) Non-Current Assets			
(i) Property, Plant & Equipment	5 (a) and (b)	2927.68	3133.93
(ii) Capital Work in Progress	5 (a)	1.36	0.00
(iii) Intangible Assets	5 (a)	8.77	9.14
(iv) Financial Assets			
(a) Investments	6 (a)	5.12	12.55
(b) Trade Receivables	6 (b)	20.88	0.00
(c) Other Financial Assets	7	101.91	99.17
(v) Other Non Current Assets	8	106.13	53.97
(2) Current Assets			
(i) Inventories	9	2080.83	2123.01
(ii) Financial Assets			
(a) Trade Receivables	10	1362.33	2617.50
(b) Cash and Cash Equivalents	11(a)	2056.14	533.80
(c) Bank Balance other than above mentioned cash & cash equivalents	11(b)	14.96	10.89
(d) Other financial assets	12 (a)	71.89	2.99
(iii) Current Tax Assets (Net)	12 (b)	0.31	0.00
(iv) Other Current Assets	13	752.61	1091.38
Total Assets		9510.92	9688.33
II. EQUITY AND LIABILITIES			
(1) Equity			
(i) Equity Share Capital	14 (a)	535.68	535.68
(ii) Other Equity	14 (b)	5354.53	4664.99
(2) Non-Current Liabilities			
(i) Financial Liabilities			
(a) Borrowings	15 (a)	0.00	0.00
(b) Other Financial Liabilities	15 (b)	24.89	0.00
(ii) Provisions	16	39.98	0.00
(iii) Deferred Tax Liabilities (Net)	17	157.43	251.10
(3) Current Liabilities			
(i) Financial Liabilities			
(a) Borrowings	15 (a)	1289.28	1780.45
(b) Trade Payables:-	18		
(i) Total outstanding dues of Micro enterprises and Small Enterprises		70.96	0.00
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises		1662.41	2104.18
(c) Other Financial Liabilities	19	26.37	35.26
(ii) Other Current Liabilities	20	214.41	193.48
(iii) Provisions	21	134.98	107.52
(iv) Current Tax Liabilities (Net)	22	0.00	15.68
Total Equity & Liabilities		9510.92	9688.33

Notes 1 to 43 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

Deepak Arneja
(Managing Director & CEO)
DIN: 00006112

Ravinder Mohan Juneja
(Managing Director)
DIN: 00006496

Place: Rohtak
Date: 29/06/2020

Sunil Mishra
(Chief Financial Officer)

Nidhi Pathak
(Company Secretary)

MOHINDRA FASTENERS LIMITED

STATEMENT OF PROFIT & LOSS OF THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lacs)

Particulars	Note	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Continuing Operations			
Revenue from operations	23	10,147.79	13,483.37
Other Income	24	269.60	68.88
Total Revenue		10,417.39	13,552.25
Expenses:			
Cost of Materials Consumed	25	3,683.34	5,181.10
Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade	26	(98.60)	150.43
Employee Benefits Expense	27	2,048.52	2,184.40
Finance Costs	28	55.46	127.36
Depreciation and Amortization Expense	29	354.07	395.29
Other Expenses	30	3,165.43	4,310.31
Total Expenses		9,208.22	12,348.89
Profit before exceptional items and tax		1,209.17	1,203.36
Exceptional items		-	-
Profit before tax		1,209.17	1,203.36
Tax expense:	31		
Current Tax		350.47	373.49
Deferred Tax Liability/(Assets)		(78.07)	(80.52)
Profit for the year		936.77	910.39
Other comprehensive income	32		
Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/(losses) on defined benefit plans		(61.93)	35.21
(b) Income tax effect on (a) above		15.59	13.95
(c) Fair value gains/(losses) on Equity Instruments		(7.43)	(4.14)
Total Other comprehensive income		(53.77)	45.02
Total comprehensive income for the year		883.00	955.41
(Comprising Profit and Other Comprehensive Income for the year)			
Earnings per equity share	33		
Basic (in ₹)		17.49	17.00
Diluted (in ₹)		17.49	17.00
Weighted average number of equity shares used in computing earnings per equity share			
Basic (in Nos.)		53,56,800	53,56,800
Diluted (in Nos.)		53,56,800	53,56,800

Notes 1 to 43 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

Deepak Arneja
(Managing Director & CEO)
DIN : 00006112

Ravinder Mohan Juneja
(Managing Director)
DIN : 00006496

Place: Rohtak
Date: 29/06/2020

Sunil Mishra
(Chief Financial Officer)

Nidhi Pathak
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
A. Cash Flow from Operating Activities		
Profit/(Loss) before tax	1209.17	1203.36
<i>Adjustment for:-</i>		
Depreciation and/ amortisation	354.07	395.29
(Profit)/ Loss on Sale of Property, Plant & Equipment (Net)	(0.34)	(3.26)
Finance Costs	55.46	127.36
Interest Income	(109.90)	(34.59)
Dividend Income	(0.09)	(0.08)
Operating Profit/(Loss) before Working Capital Changes	1508.37	1688.09
<i>Adjustments for (increase)/ decrease in operating assets:</i>		
- Inventories	42.18	446.42
- Other Current assets	1525.65	(620.50)
- Non current assets	(75.78)	19.46
<i>Adjustments for increase/ (decrease) in operating Liabilities:</i>		
- Trade payables	(370.81)	(13.52)
- Other Current liabilities	24.02	17.04
- Non current liabilities	(21.94)	(39.54)
Cash generated from Operations	2631.69	1497.45
Taxes Paid (Net)	(366.78)	(366.69)
Net Cash generated from Operating Activities (A)	2264.91	1130.76
B. Cash Flow from Investing Activities		
Capital Expenditure on Property, Plant & Equipment	(103.90)	(176.94)
Proceeds from sale of Property, Plant & Equipment	2.05	5.93
Interest Income	109.90	34.59
Dividend Income	0.09	0.08
Net Cash generated from Investing Activities (B)	8.15	(136.34)
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Long Term Borrowings (Net)	0.00	(637.18)
Proceeds/(Repayment) of Short term Borrowings (Net)	(491.17)	(194.14)
Finance Cost Paid other than interest on lease liabilities	(50.33)	(127.36)
Dividends Paid	(160.70)	(133.92)
Dividend Distribution Tax Paid	(33.04)	(27.53)
Principal payment of Lease Liabilities	(10.34)	0.00
Interest paid on Lease Liabilities	(5.13)	0.00
Net Cash generated from Financing Activities (C)	(750.71)	(1120.13)
Net increase in cash and cash equivalents	1522.34	(125.71)
Cash and Cash Equivalents at the Beginning of the Year	533.80	659.51
Cash and Cash Equivalents at the End of the Year*	2056.14	533.80
Notes 1 to 43 form an integral part of these financial statements		

MOHINDRA FASTENERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)

Notes:

- (i) The above Cash Flow Statement has been prepared under Indirect Method as set out in Ind As -7.
- (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(a)

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

Deepak Arneja
(Managing Director & CEO)
DIN : 00006112

Ravinder Mohan Juneja
(Managing Director)
DIN : 00006496

Place: Rohtak
Date: 29/06/2020

Sunil Mishra
(Chief Financial Officer)

Nidhi Pathak
(Company Secretary)

Note : 1 Corporate Information

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

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

Note : 2 Basis of Preparation

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

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 2020 (including comparatives) are duly approved and authorised for issue by the Board of directors at their board meeting held on June 29, 2020.

Note : 3 (a) Key Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations – Note(s): 4(x) and 27
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Note(s): 4(xi), 16, 21 and 34
- (c) Recognition of deferred tax assets – Note: 4(ix) and 17.1
- (d) Measurement of Lease liabilities and Right of Use Asset (ROUA) – Notes 4(vi), 5(b), 15(b), 19 and 41

3 (b) 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.

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

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.

d. **Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Note : 4 Summary of accounting policies

(i) Overall considerations

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

(ii) 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.

a. 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.

b. 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.

(iii) Property, plant and equipment

- a. 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:

- i. Purchase Price
- ii. Taxes and Duties
- iii. Labour cost and
- iv. Directly attributable overheads incurred upto the date the asset is ready for its intended use.

However, cost excludes GST, 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.

- b. Component Accounting:

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

- c. 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).

- d. Depreciation and amortization:

- i. Depreciation is recognized on a straight line basis, over the useful life of the Property, Plant and other equipments as prescribed under Schedule II of the Companies Act, 2013.
- ii. 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.
- iii. 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.
- iv. 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.

(iv) 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.

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

(v) Impairment

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

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

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

(vi) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio leases with similar characteristics.

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 using modified retrospective approach along with a transition option to recognise Right of use (ROU) asset at an amount equal to the lease liability. Accordingly, there is no impact of Ind AS 116 adoption to the retained earnings as at April 1, 2019 or the results reported for the year ended March 31, 2019.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards property used as factory premise are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

(vii) Financial Assets, Financial Liabilities and 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 recognised 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 recognised 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:

- a. 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.

- b. **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.

- c. **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').

- d. **Derecognition of financial assets**

A financial asset is derecognised only when;

- i. The Company has transferred the rights to receive cash flows from the financial asset or
- ii. 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

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

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.

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 derecognised 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.

(viii) 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.

a. 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.

b. 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.

c. 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.

(ix) Income Taxes

Tax expense recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the Balance Sheet Approach on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income (OCI) are disclosed under OCI.

Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, which is effective from April 1, 2019, domestic companies have the option to apply a Special income tax rate under Sec. 115BAA with effect from April 1, 2019 subject to certain conditions specified therein. The Company has exercised the above option and accordingly, it has recognised provision for income tax and remeasured its deferred tax liability for the year ended March 31, 2020 based on the lower annual effective income tax rate.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future tax liability. This is assessed based on the Company's forecast of future earnings, excluding non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies some exemptions.

(x) Post-employment benefits and short-term employee benefits

a. 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.

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.

b. Other long term employee benefit obligations:

The liabilities for compensated absences /earned leave are not expected to be settled wholly within 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit & Loss Account.

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.

c. Post-employment obligation:

The Company operates the following post-employment schemes:

- i. Defined benefit plans such as gratuity for its eligible employees
- ii. 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 recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

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

(xi) Provisions and contingent liabilities

a. Provisions:

A Provision is recorded when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Provisions are evaluated at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. No discounting of provision amount has been made as time value of money is not material.

Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

b. Contingent Assets:

The Company does not recognise contingent assets. If it is virtually certain then they will be recognised as asset. These are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

(xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares. There is no diluted earnings per share as there are no dilutive potential equity share.

(xiii) 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.

(xiv) Segment reporting

The Company is engaged in manufacture and sale of cold and hot forged fasteners, & precision machined components which by and large have applications in Automobile Industry and thus the company has only one reportable segment.

(xv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

Note : 5 Property, Plant & Equipment

(₹ in Lacs)

Property, Plant & Equipment	As at 01-04-2019		Gross Block		As at 31-03-2020		Intangible Assets as on 31.03.2020		Capital Work in Progress as on 31.03.2020		Tangible Assets As on 31.03.2019		Intangible Assets as on 31.03.2019		Capital Work in Progress as on 31.03.2019	
	As at 01-04-2019	Adj./ Add.	Adj./ Ded.	As at 31-03-2020	As at 01-04-2019	Adj./ Add.	Adj./ Ded.	As at 31-03-2020	As at 01-04-2019	Adj./ Add.	Adj./ Ded.	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	
Owned Assets (refer Note 5 (a) below)	825.07	48.15	0.00	873.21	8.77	1.36	3133.93	8.77	1.36	0.00	3133.93	9.14	0.00			
Leased Assets / Right-of-use Assets (refer Note 5 (b))		0.00	0.00	754.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Total	825.07	48.15	0.00	873.21	8.77	1.36	3133.93	8.77	1.36	0.00	3133.93	9.14	0.00			

(₹ in Lacs)

5 (a) Owned Assets	As at 01-04-2019		Gross Block		As at 31-03-2020		Intangible Assets as on 31.03.2020		Capital Work in Progress as on 31.03.2020		Tangible Assets As on 31.03.2019		Intangible Assets as on 31.03.2019		Capital Work in Progress as on 31.03.2019	
	As at 01-04-2019	Adj./ Add.	Adj./ Ded.	As at 31-03-2020	As at 01-04-2019	Adj./ Add.	Adj./ Ded.	As at 31-03-2020	As at 01-04-2019	Adj./ Add.	Adj./ Ded.	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	
Tangible Assets:																
Industrial Freehold Land	825.07	48.15	0.00	873.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	873.21	0.00	825.07	0.00	
Buildings	754.18	0.00	0.00	754.18	322.00	22.01	0.00	344.01	322.00	22.01	0.00	410.17	344.01	432.18	0.00	
Plant & Machinery	5498.05	39.56	0.00	5537.61	3679.55	302.91	0.00	3982.46	3679.55	302.91	0.00	1555.15	3982.46	1818.50	0.00	
Furniture & Fittings	87.86	0.40	0.00	88.26	69.54	3.15	0.00	72.69	69.54	3.15	0.00	15.57	72.69	18.31	0.00	
Motor Vehicles	52.01	8.38	5.95	54.44	30.07	4.63	4.24	30.46	30.07	4.63	4.24	23.98	30.46	21.94	0.00	
Office Equipment	75.81	2.02	0.00	77.83	63.05	4.89	0.00	67.94	63.05	4.89	0.00	9.89	67.94	12.76	0.00	
Computers and Data Processing Units	110.09	1.01	0.00	111.10	104.92	1.44	0.00	106.35	104.92	1.44	0.00	4.75	106.35	5.18	0.00	
Sub Total (A)	7403.07	99.51	5.95	7496.63	4269.14	339.02	4.24	4603.92	4269.14	339.02	4.24	2892.71	4603.92	3133.93	0.00	
Intangible Assets																
Computer Software	46.88	3.03	0.00	49.90	37.73	3.40	0.00	41.13	37.73	3.40	0.00	8.77	41.13	9.14	0.00	
Sub Total (B)	46.88	3.03	0.00	49.90	37.73	3.40	0.00	41.13	37.73	3.40	0.00	8.77	41.13	9.14	0.00	
Capital Work-in-progress	0.00	1.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.36	0.00	0.00	0.00	
Sub Total (C)	0.00	1.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.36	0.00	0.00	0.00	
(Previous Year Figures)	7304.08	176.94	31.07	7449.95	3939.98	395.29	28.40	4306.87	3939.98	395.29	28.40	3143.07	4306.87	3364.10	0.00	
Total (A + B + C)	7449.95	103.90	5.95	7546.53	4306.87	342.42	4.24	4645.05	4306.87	342.42	4.24	2902.85	4645.05	3143.07	0.00	

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

Note : 5(b) Addition of Leased Assets on account of Transition to Ind AS 116- 1st April, 2019

(₹ in Lacs)

Leased Assets / Right-of-use Assets	Gross Block			Depreciation on Right-of-use Assets			Net Block		
	As at 01-04-2019	Addition	Disposals	As at 31-03-2020	As at 01-04-2019	Addition	Disposal	As at 31-03-2020	As at 31-03-2019
Tangible Assets:									
Land & Building	0.00	46.63	0.00	46.63	0.00	11.66	0.00	34.97	0.00
Total	0.00	46.63	0.00	46.63	0.00	11.66	0.00	34.97	0.00

Notes:-

- (a) The Company has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 using modified retrospective approach along with a transition option to recognise Right of use (ROU) asset at an amount equal to the lease liability. Accordingly, there is no impact of Ind AS 116 adoption to the retained earnings as at April 1, 2019 or the results reported for the year ended March 31, 2019. The Company has recognised Rs. 46.63 lacs as ROU and corresponding lease liability for an equivalent amount on the date of transition. Accordingly, previous period information has not been restated. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 11% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.
- (b) The Company incurred Rs.14.74 lacs for the year ended 31st March, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs. 30.21 lacs for the year ended 31st March, 2020, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 5.13 lacs for the year.
- (c) The Company's leases mainly comprise of land and building used for manufacturing facilities. The Company also has leases for equipment."

Note : 6 (a) Non-Current Investments

(₹ in Lacs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Fair value through Other Comprehensive Income Investment in Equity Instruments (Quoted)		
1800 (PY 1800) Equity Shares of Rs. 10/- (PY Rs.10/ each in Bank of India (Fully paid)	0.57	1.79
3000 (PY 3000) Equity Shares of Rs. 2/- (PY Rs.2/-) each in Sterling Tools Limited (Fully Paid)	3.42	8.52
400 (PY 400) Equity Shares of Re. 1/- (PY Re. 1/-) each in Sundram Fasteners Limited (Fully Paid)	1.13	2.22
150 (PY 150) Equity Shares of Rs. 10/- (PY Rs.10/-) each in Lakshmi Precision Screws Ltd. (Fully Paid)	0.00	0.02
Total in ₹	5.12	12.55
Other Information		
Quoted Investments		
Market Value	5.12	12.55
Note: Figures in () are in respect of previous year		

Note : 6 (b) Trade Receivables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(Unsecured, considered good)		
Trade Receivables (refer Note 34 (b))	20.88	0.00
	20.88	0.00

Note : 7 Other Financial Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(Unsecured, considered good)		
Security Deposits	101.91	99.17
Total in ₹	101.91	99.17

Note : 8 Other Non Current Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(Unsecured and Considered good)		
Defined Benefits Plan - Gratuity*	0.00	14.39
Compensated Absences*	0.00	3.95
Balance with Revenue Authorities	35.63	35.63
Others#	70.50	0.00
Total in ₹	106.13	53.97

*Refer Note No. 27.1(b)(i) & (ii)

#Other current assets includes advance paid Rs. 16.31 lacs towards Defined Benefit Plan- Gratuity

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

Note : 9 Inventories

(₹ in Lacs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Raw Material	509.89	543.50
Work-in-Progress	293.25	280.54
Finished Goods	715.75	627.71
Consumables, Stores, Tools, Spares & Packing Material	551.45	661.64
Scrap	2.34	4.49
Goods-in-Transit	8.15	5.13
Total in ₹	2080.83	2123.01

Note : 9.1 Goods in Transit includes the followings :-

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Raw Material	7.61	-
Consumables, Stores, Tools, Spares & Packing Material	0.54	5.13
Total in ₹	8.15	5.13

Note : 10 Trade Receivables

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(Unsecured , Considered good)		
Outstanding for more than six months	34.31	135.53
Others	1328.02	2481.97
Total in ₹	1362.33	2617.50

Note : 11 (a) Cash & Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Balances with Banks (Current Account)	40.03	43.02
Cash on Hand	2.38	1.75
Fixed Deposit with Bank**	2013.73	489.03
Total in ₹ (A)	2056.14	533.80

Note: 11(b) Bank balance other than above mentioned Cash & Cash Equivalents

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Earmarked Balances with Banks (Unpaid Dividend Account)	14.96	10.89
Total in ₹ (B)	14.96	10.89

Total in ₹ (A)+(B)	2071.10	544.69
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**Fixed Deposit with bank includes deposits of Rs.200 Lacs(Previous year Rs. 200.00 Lacs) pledged with bank as Margin Money for Letter of Credit issued by them and includes deposits of Rs. 286.92 Lacs (Previous year Rs.319.03 Lacs) with maturity of more than 12 Months.

Note: 12 (a) Other Financial Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Security Deposits	1.28	1.35
Interest Accrued But Not Yet Due on Fixed Deposits with Bank	70.61	1.64
Total in ₹	71.89	2.99

Note: 12 (b) Current Tax Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Advance Payment of Taxes (Net)	0.31	0.00
Total in ₹	0.31	0.00

Note : 13 Other Current Assets

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Advance to Suppliers	11.07	0.59
Balance With Revenue Authorities	718.09	1066.87
Advance to Others	7.08	10.35
Prepaid Expenses	13.18	7.42
Receivable from employees	3.19	6.15
Total in ₹	752.61	1091.38

Note : 14 (a) Share Capital

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
<u>AUTHORIZED SHARE CAPITAL</u>		
*12000000 Equity Shares of Rs. 10/- each. (P.Y. 6500000 Equity Shares of Rs. 10/- each)	1200.00	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
	1750.00	1200.00
<u>ISSUED CAPITAL</u>		
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
<u>SUBSCRIBED AND PAID UP CAPITAL</u>		
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
Total in ₹	535.68	535.68

*The authorised share capital of the company has been increased to Rs.1750,00,000 by creation of 5500,000 equity shares at Rs.10 each vide ordinary resolution passed by members of the company on 26th March, 2020 through postal ballot.

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

a)	The Reconciliation of the Number of Equity Shares	No of Shares	No of Shares
	Balance at the begning of the year	5356800	5356800
	Add:- Issued Shares During the Year	-	
	Balance at the end of the Year	5356800	5356800

- 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 st March, 2020 and 31 st March, 2019 are as follows:	As at 31 st March, 2020	As at 31 st March, 2019
	Name Of Shareholders		
	Deepak Arneja		
	No of Shares	570900	570900
	(% of Shares held)	10.66	10.66
	Ravinder Mohan Juneja		
	No of Shares	505350	505350
	(% of Shares held)	9.43	9.43
	Anurag Arneja		
	No of Shares	580100	580100
	(% of Shares held)	10.83	10.83
	Ranbir Singh Narang		
	No of Shares	428500	428500
	(% of Shares held)	8.00	8.00
	Sudhir Arneja		
	No of Shares	392400	392400
	(% of Shares held)	7.33	7.33
	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 31st March, 2020.
- Aggregate number of equity shares allotted as fully paid pursuant to contract without payment being received in cash - NIL
 - Aggregate number of equity shares as fully paid up by way of bonus shares - NIL
 - Aggregate number of equity shares bought back - NIL

Note : 14(b) Statement of Changes in Equity for the year ended 31st March, 2020
 A. Equity Share Capital

Particulars	As at 01 st April 2019	"Changes in equity share capital during the year"	As at 31 st March 2020	Changes in equity share capital during the year	As at 31 st March, 2020
Equity Share Capital	535.68	0.00	535.68	0.00	535.68

(₹ in Lacs)

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income			Total
	General reserve	Capital Reserve	Other Reserves	Retained Earnings	Equity Instruments	Items that will not be reclassified to Profit and loss		
						Other Items		
Balance as at 1 April, 2018	230.00	5.74	83.09	3,597.96	15.30	(56.43)	3,875.66	
Profit for the year	0.00	0.00	0.00	910.39	0.00	0.00	910.39	
Re-measurement of gain/(loss) on defined benefit Plan (Net of Tax)	0.00	0.00	0.00	0.00	0.00	49.16	49.16	
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of tax)	0.00	0.00	0.00	0.00	(4.14)	0.00	(4.14)	
Less: Dividend of FY 17-18 paid in FY 18-19	0.00	0.00	0.00	(133.92)	0.00	0.00	(133.92)	
Less: CDT of FY 17-18	0.00	0.00	0.00	(27.53)	0.00	0.00	(27.53)	
Less: Excess/(Short) Provision of Previous Year	0.00	0.00	0.00	(4.64)	0.00	0.00	(4.64)	
Balance as at 31st March, 2019	230.00	5.74	83.09	4,342.26	11.16	(7.27)	4,664.99	
Profit for the year	0.00	0.00	0.00	936.77	0.00	0.00	936.77	
Re-measurement of gain/(loss) on defined benefit Plans (Net of Tax) (Refer Note 32)	0.00	0.00	0.00	0.00	0.00	(46.34)	(46.34)	
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of tax)	0.00	0.00	0.00	0.00	(7.43)	0.00	(7.43)	
Less: Dividend of FY 18-19 paid in FY 19-20	0.00	0.00	0.00	(160.70)	0.00	0.00	(160.70)	
Less: CDT of FY 18-19	0.00	0.00	0.00	(33.04)	0.00	0.00	(33.04)	
Less: Excess/(Short) Provision of Previous Year	0.00	0.00	0.00	0.29	0.00	0.00	0.29	
Balance as at 31st March, 2020	230.00	5.74	83.09	5,085.57	3.73	(53.62)	5,354.53	

Notes 1 to 43 form an integral part of these financial statements

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

- (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 :

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020 (Rs.)	Year ended 31 st March, 2019 (Rs.)
Final dividend for fiscal 2019	3.00	
Final dividend for fiscal 2018		2.50

The Board of Directors, at its meeting held on 29th June, 2020, recommended a final dividend of Rs. 3.50/- per equity share for the financial year ended March 31, 2020. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and if approved, would result in a net cash outflow of approximately Rs. 187.49 Lacs. The final dividend of Rs. 3.50/- per equity share and the resultant expected cash outflow is based on the outstanding number of shares after considering shares bought back if any by the Company subsequent to the year ended March 31, 2020.

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 st March, 2020	As at 31 st March, 2019
Borrowings	1289.28	1780.45
Cash and cash equivalents	(2056.14)	(533.80)
Capital	(766.86)	1246.65
Total Equity	5890.21	5200.67
Overall Financing	5890.21	5200.67
Gearing Ratio	(13.02)	23.97

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

(₹ in Lacs)

Particulars	Current Portion		Non Current Portion	
	As at 31 st March, 2020	As at 31 st March, 2019	As at 31 st March, 2020	As at 31 st March, 2019
<u>Secured</u>				
Repayable on Demand				
<u>Working Capital Loans</u>				
- Overdraft (Indian Rupees Loan)#	319.37	639.90	0.00	0.00
- Foreign Currency Loan (PCFC)##	969.91	1140.55	0.00	0.00
Total in Rs.	1289.28	1780.45	0.00	0.00

#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 @ 10.65%

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

Note : 15 (b) Other Financial Liabilities

(₹ in Lacs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Lease Liabilities	24.89	0.00
Total in ₹	24.89	0.00

Note : 16 Provisions

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Provision for Defined Benefit Obligations (Gratuity & Compensated Absences)*	39.98	0.00
Total in ₹	39.98	0.00

*Refer Note No. 27.1(b)(i) and (ii)

Note : 17 Deferred Tax Liability (Net)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Deferred Tax Liability	157.43	251.10
Total in ₹	157.43	251.10

Note : 17.1

Particulars	01 st April 2018	Recognised in Other Comprehensive Income (OCI)	Recognised of Statement of Profit & Loss	31 st 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)
Deferred Tax Liability (A)	345.56	(13.95)	(80.52)	251.10
Less: Deferred tax asset arising on account of :	-	-	-	-
Provision for employee benefits	-	0.00	-	0.00
Deferred Tax Asset (B)	0.00	0.00	0.00	0.00
Net (DTA)/DTL	345.56	(13.95)	(80.52)	251.10

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

Particulars	01 st April 2019	Recognised in Other Comprehensive Income(OCI)	Recognised of Statement of Profit & Loss	31 st March 2020
Deferred tax liability arising on account of :				
Timing difference between depreciation/amortization as per financials and depreciation as per tax	259.07	0.00	(64.90)	194.17
Software Expenditure	1.26	0.00	0.16	1.42
Gain / (Loss) on Foreign Exchange Fluctuation	4.44	0.00	(0.16)	4.28
Deferred Tax Liability (A)	264.78	0.00	(64.90)	199.87
Less: Deferred tax asset arising on account of :	-	-	0.00	0.00
Provision for employee benefits	13.68	15.59	12.83	42.10
Lease Liabilities (Impact of Transition to Ind AS 116)	0.00	0.00	0.33	0.33
Deferred Tax Asset (B)	13.68	15.59	13.17	42.43
Net (DTA)/DTL	251.10	(15.59)	(78.07)	157.43

Note : 18 Trade Payables

(₹ in Lacs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Total outstanding dues of Micro enterprises and Small Enterprises*	70.96	0.00
Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	1662.41	2104.18
Total in ₹	1733.37	2104.18

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-2020, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
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	-	-

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
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 st March, 2020	As at 31 st March, 2019
*Unclaimed Dividend	14.96	10.88
Sundry Creditors for Capital Expenditures	0.00	24.38
Lease Liabilities	11.41	0.00
Total in ₹	26.37	35.26

***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 st March, 2020	As at 31 st March, 2019
Statutory Dues	21.41	17.77
Salary, Wages, Bonus & Allowances	174.43	171.37
Other Payables	0.04	3.39
Customer Advances	18.53	0.95
Total in ₹	214.41	193.48

Note : 21 Provisions

(₹ in Lacs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Provision for Defined Benefit Obligations (Gratuity & Compensated Absences)*	58.44	-
(b) Provisions - Others	0.00	0.00
- Others	76.54	107.52
Total in ₹	134.98	107.52

*Refer Note No. 27.1(b)(i) and (ii)

Note : 22 Current Tax Liabilities (Net)

(₹ in Lacs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
- Provision for Income Tax (Net of Advance Tax and TDS)	0.00	15.68
Total in ₹	0.00	15.68

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

Note : 23 Revenue from Operations

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
a) Sale of Products		
Finished Product #	9,718.57	12,835.82
	9,718.57	12,835.82
b) Other Operating Revenue		
Steel & Scrap Sale #	123.91	245.88
Duty Drawback & Other Export Incentives	305.31	401.67
	429.22	647.55
Total in ₹	10,147.79	13,483.37

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
(a) Details of Product sold		
High Tensile Fasteners #	9718.57	12835.82
(b) Earning in foreign exchange		
Export of goods (FOB) #	6403.46	8357.27

Note : 24 Other Income

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Interest on		
-Fixed Deposits	99.63	21.75
-Other	10.28	12.84
	0.00	0.00
Dividend Income on Long Term Investments	0.09	0.08
Exchange Rate Difference (Net)	121.35	5.96
Other Non Operating Income	38.25	28.25
Total in ₹	269.60	68.88

Note : 25 Cost of Material Consumed

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Inventory at the Beginning of the Year	543.50	696.08
Purchases	3649.73	5028.52
	4193.23	5724.60
Inventory at the End of the Year	509.89	543.50
Total in ₹	3683.34	5181.10

Material Consumed Comprises:

- Wire Rods 3683.34 5181.10

Note : 26 Change in Inventories of Finished Goods, Work in Progress & Stock in Trade (₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Inventory at the Beginning of the Year		
Work In progress	280.54	454.43
Finished Goods	632.20	608.75
	912.74	1063.18
Inventory at the End of the Year		
Work In progress	293.25	280.55
Finished Goods	718.09	632.20
	1011.34	912.75
(Increase)/Decrease in Inventory	(98.60)	150.43

Note : 27 Employee Benefit Expense (₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Salaries, Wages, Bonus & Allowances	1944.07	2066.69
Contribution to Provident Fund & Other Funds	68.49	67.12
Staff Welfare Expenses	35.96	50.59
Total in ₹	2048.52	2184.40

Note : 27.1 (₹ in Lacs)

- a. Employees benefit expenses including managerial remuneration Rs.73.60 lacs (P.Y. Rs. 66.88 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. Also refer Note 27.1 (b) for details about Employee Benefits.

Note 27.1 (b) Employee benefit obligations (₹ in Lacs)

Particulars	31 st March, 2020		31 st March, 2019	
	Current	Non-current	Current	Non-current
Gratuity	20.21	20.12	-	(14.38)
Compensated Absences	38.23	19.86	-	(3.95)
Total in ₹	58.44	39.98	-	(18.33)

Note 27.1 (b)(i) Defined benefits plans - Gratuity

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to vesting period of 5 years of service as per provisions of Payment of Gratuity Act 1972 as amended.”

Policy for recognizing actuarial gains and losses:

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. Risks associated with the plan provisions are actuarial risks. These risks are investment risk, mortality risk and salary risk.

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

Investment risk

Plan assets comprise funds managed by the insurer i.e. Life Insurance Corporation of India ('LIC').

Mortality risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(i) Amount recognized in the statement of profit and loss is as under:

Description	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Current service cost	20.68	16.40
Interest cost(net)	(0.97)	12.49
Expense recognized in the Income Statement as Employee Benefit Expense	19.71	28.89
Actuarial loss/(gain) recognized in Other Comprehensive Income (OCI)	61.93	(41.55)
Amount recognized in total Comprehensive Income	81.64	(12.66)

(ii) Change in the present value of obligation:

Description	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Present value of defined benefit obligation as at the beginning of the year	149.11	166.50
Current service cost	20.68	16.40
Interest cost	10.08	12.49
Past service cost	-	-
Benefits paid	(7.17)	(4.73)
Actuarial loss	62.29	(41.55)
Present value of defined benefit obligation as at the end of the year	234.99	149.11

(iii) Movement in the plan assets recognized in the balance sheet is as under:

Description	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Fair value of plan assets at the beginning of the year	163.49	126.96
Actual Return (net)	11.42	10.54
Contributions	26.92	30.72
Benefits paid	(7.17)	(4.73)
Actuarial gains/(losses)	-	-
Fair value of plan assets at the end of the year	194.66	163.49

(iv) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	As at 31 st March, 2020	As at 31 st March, 2019
Present value of funded obligation as at the end of the year	234.99	149.11
Fair value of plan assets as at the end of the period funded status	194.66	163.49
Unfunded/funded net liability/(Asset) recognized in balance sheet	40.33	(14.38)

(v) Breakup of actuarial (gain)/loss:

(₹ in Lacs)

Description	As at 31 st March, 2020	As at 31 st March, 2019
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	-	-
Actuarial (gain)/loss from experience adjustment	62.29	(41.55)
Total actuarial (gain)/loss	62.29	(41.55)

(vi) Amount recognised in other comprehensive income (remeasurements)

Description	As at 31 st March, 2020	As at 31 st March, 2019
Actuarial (gains)/losses arising from experience adjustments	62.29	(41.55)
Actuarial gain /(loss) for the year on Asset	(0.36)	-
Components of defined benefit costs recognised in other comprehensive income	61.93	(41.55)

(vii) Actuarial assumptions

Description	As at 31 st March, 2020	As at 31 st March, 2019
Discount rate	6.76%	7.50%
Future Salary Increase	6.00%	6.00%
Retirement age	60 / 75 years	60 / 75 years

Notes:

- 1) The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities.
- 2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion, HR Policy and other relevant factors.
- 3) Plan assets comprise funds managed by the insurer i.e. Life Insurance Corporation of India ('LIC').
- 4) The best estimated expense for the next year is INR 26.14 lacs.

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

(viii) The major categories of plan assets as a percentage of total plan assets are as follows:

The Company's liability on account of gratuity is ascertained by actuarial valuer and planned assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The difference between the liability ascertained on account of gratuity by Life Insurance corporation of India and actuarial valuer is provided for in the financial statements of the Company.

(₹ in Lacs)

Description	As at 31 st March, 2020	As at 31 st March, 2019
Funds Managed by LIC	100%	100%

(ix) Sensitivity analysis for gratuity liability

Description	As at 31 st March, 2020
Impact of change in discount rate	
Present value of obligation at the end of the year	
- Impact due to increase of 0.50 %	(11.42)
- Impact due to decrease of 0.50 %	12.41
Impact of change in salary increase	
Present value of obligation at the end of the year	
- Impact due to increase of 0.50 %	10.94
- Impact due to decrease of 0.50 %	(10.17)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(x) Maturity profile of defined benefit obligation

Description	As at 31 st March, 2020
Within next 12 months	20.21
Between 1-5 years	50.05
Beyond 5 years	164.73

(xi) Weighted average duration of defined benefit obligation is 15.41 years as at 31 March 2020.

Note 27.1 (b)(ii) Compensated Absences

Compensated absence (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.

(i) Amount recognized in the statement of profit and loss is as under:

Description	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Current service cost	13.06	6.00
Interest cost	(0.26)	5.40
Actuarial loss/(gain) recognised during the year	55.16	(6.35)
Amount recognized in the statement of profit and loss	67.96	5.05

(ii) Change in the present value of obligation:

(₹ in Lacs)

Description	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Present value of defined benefit obligation as at the beginning of the year	77.34	67.44
Current service cost	13.06	6.00
Interest cost	5.22	5.40
Past service cost	-	-
Benefits paid	(4.37)	(7.85)
Actuarial loss	54.36	6.35
Present value of defined benefit obligation as at the end of the year	145.61	77.34

(iii) Movement in the plan assets recognized in the balance sheet is as under:

Description	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Fair value of plan assets at the beginning of the year	81.17	68.04
Actual Return (net)	4.68	4.97
Contributions	6.04	16.01
Benefits paid	(4.37)	(7.85)
Actuarial gains/(losses)	-	-
Fair value of plan assets at the end of the year	87.52	81.17

(iv) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	As at 31 st March, 2020	As at 31 st March, 2019
Present value of funded obligation as at the end of the year	145.61	77.34
Fair value of plan assets as at the end of the period funded status	87.52	81.17
Unfunded/funded net liability/(Asset) recognized in balance sheet	58.09	(3.83)

(v) Breakup of actuarial (gain)/loss:

Description	As at 31 st March, 2020	As at 31 st March, 2019
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	-	-
Actuarial (gain)/loss from experience adjustment	54.36	6.35
Total actuarial (gain)/loss	54.36	6.35

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

(vi) Actuarial assumptions

Description	As at 31 st March, 2020	As at 31 st March, 2019
Discount rate	6.76%	8.00%
Future Salary Increase	6.00%	6.00%
Retirement age	60 / 75 years	60 / 75 years

- 1) The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities.
- 2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion, HR Policy and other relevant factors.
- 3) The best estimated expense for the next year is INR 16.95 lacs.

(vii) Sensitivity analysis for Compensated Absences

Description	As at 31 st March, 2020
Impact of change in discount rate	
Present value of obligation at the end of the year	
- Impact due to increase of 0.50 %	(4.56)
- Impact due to decrease of 0.50 %	8.53
Impact of change in salary increase	
Present value of obligation at the end of the year	
- Impact due to increase of 0.50 %	8.54
- Impact due to decrease of 0.50 %	(4.63)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(viii) Maturity profile of defined benefit obligation

Description	As at 31 st March, 2020
Within next 12 months	38.23
Between 1-5 years	13.92
Beyond 5 years	93.46

(ix) Weighted average duration of defined benefit obligation is 15.41 years as at 31 March 2020.

27.1.(b)(iii) 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.

The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations.

The expense recognized during the year towards defined contribution plan is INR 48.79 lacs (31 March 2019 -INR 48.77 lacs).

Note : 28 Finance Cost

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Interest Expenses on Borrowings	32.90	57.69
Interest on Lease Liabilities	5.13	0.00
Other Borrowing Costs	17.43	69.67
Total in ₹	55.46	127.36

Note : 29 Depreciation & Amortisation Expense

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Depreciation & Amortization on Property, Plant & Equipment & Intangible Assets (Owned Assets)	342.41	395.29
Depreciation on Property, Plant & Equipment (Leased assets / Right of use-of assets)	11.66	0.00
Total in ₹	354.07	395.29

Note : 30 Other Expenses

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Consumption of Stores & Spare Parts	1068.52	1382.77
Power & Fuel Consumed	737.14	876.55
Factory Building Maintenance	8.23	27.81
Repair & Maintenance to Plant & Machinery	96.00	139.73
Insurance Expenses	19.38	22.69
Rates, Taxes & Duties	18.09	5.36
Job Work Expenses	453.06	717.02
Packing Material Consumed	222.76	323.04
Freight Outward	252.50	431.53
Rebate & Discount	52.01	94.78
Payment to Auditors*	5.51	5.42
Corporate Social Responsibility Expenditure (Refer Note 42)	19.50	15.58
Factory Rent (Refer Note 5(b) and 41)	0.00	17.82
Miscellaneous Expenses	212.73	250.21
Total in ₹	3165.43	4310.31

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

*Note :- Payment to Auditors

(₹ in Lacs)

As Auditor	Year ended 31 st March, 2020	Year ended 31 st March, 2019
- 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	0.66	0.57
Total in ₹	5.51	5.42

Note : 31 Tax Expense

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Income tax recognised in Statement of Profit & Loss		
Current Tax	350.47	373.49
Deferred Tax	(78.07)	(80.52)
Total income tax expenses recognised in the current year	272.40	292.97

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

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Profit before tax	1209.17	1203.36
Applicable Tax rate*	25.168%	29.120%
Computed Tax Expense	304.32	350.42
Tax effect of:		
Exempted Income	(0.02)	(0.02)
Expenses Disallowed	134.51	144.04
Additional (Allowance)/Disallowance	(88.34)	(120.95)
Current Tax Provision (A)	350.47	373.49
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(64.74)	(78.70)
Incremental Deferred Tax Liability on account of Financial Assets and Other Items	(13.33)	(1.82)
Deferred Tax Provision (B)	(78.07)	(80.52)
Tax expense recognised in Statement of Profit and Loss (A+B)	272.40	292.97
Effective Tax rate	22.528%	24.346%

*Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, which is effective from April 1, 2019, domestic companies have the option to apply a Special Income tax rate U/s 115BAA with effect from April 1, 2019 subject to certain conditions specified there in. The Company has exercised the above option and accordingly, it has recognised provision for income tax and remeasured its deferred tax liability for the year ended March 31, 2020 based on the lower annual effective income tax rate.

Note : 32 Other Comprehensive Income (OCI)

(₹ in Lacs)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit	(61.93)	35.21
Income Tax effect on above	15.59	13.95
Net (loss)/gain on equity Instrument/Securities	(7.43)	(4.14)
Income Tax effect on above	0.00	0.00
Total in ₹	(53.77)	45.02

Note : 33 Earnings Per Equity Share

(Rs. in Lacs except number of shares)

Particulars	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Nominal value of equity share	10	10
Profit attributable to equity shareholders (A)	936.77	910.39
Weighted average number of equity shares outstanding during the year (B)	5356800	5356800
Basic earnings per equity share (A/B)	17.49	17.00
Dilutive effect on profit (C)	-	-
Profit attributable to equity shareholders for computing (D) = (A) + (C)	936.77	910.39
Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
Weighted average number of equity shares for computing Diluted EPS (F) = (B) + (E)	5356800	5356800
Diluted earnings per equity share (D/F)	17.49	17.00

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

- 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.
- The Trade receivable (showing as non-current financial assets) amounting to Rs. 20.88 Lacs are under litigation which is pending, however, company is expected to recover whole amount, hence, no provision for doubtful is being created.(refer note 6(b))

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

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 Chaudhary	-	Non Executive director & Independent Director
Mrs. Shamoli Thakur	-	Non Executive director & Independent Director
Mr. Sunil Mishra	-	Chief Financial Officer
Ms. Nidhi Pathak	-	Company Secretary & Compliance Officer

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, 2020:

(₹ in Lacs)

Nature of Transaction	Key Management Personnel &/ Close family member of KMP	Total (Amount in Rs.)
Remuneration	152.25 (139.73)	152.25 (139.73)
Unsecured Loans Repaid	0 (75.00)	0 (75.00)
Dividend Paid	50.81 (35.36)	50.81 (35.36)
Sitting Fees	0.80 (0.65)	0.80 (0.65)
Balance Outstanding as at the end of the year:		
Remuneration Payable	12.88 (11.82)	12.88 (11.82)

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	2019-20	2018-19
a) Remuneration:			
Short Term Employee Benefits:-			
1. Deepak Arneja	Key Management Personnel	37.64	34.28
2. Ravinder Mohan Juneja	Key Management Personnel	35.96	32.60
3. Sudhir Arneja	Close Family Member of Key Management Personnel	22.24	20.59
4. Dheeraj Juneja	Close Family Member of Key Management Personnel	23.63	21.98
5. Sunil Mishra	Chief Executive Officer	25.25	23.60
6. Nidhi Pathak	Company Secretary	7.53	6.68

Particulars	Relationship	2019-20	2018-19
b) Unsecured Loans Repaid			
1. Deepak Arneja	Key Management Personnel	0.00	25.00
2. Ravinder Mohan Juneja	Key Management Personnel	0.00	25.00
3. Sudhir Arneja	Close Family Member of Key Management Personnel	0.00	25.00
c) Sitting Fees:			
1. Gagandeep Singh Narang	Key Management Personnel	0.10	0.20
2. Vinod Kumar	Key Management Personnel	0.30	0.20
3. Ved Prakash Chaudhary	Key Management Personnel	0.30	0.25
4. Shamoli Thakur	Key Management Personnel	0.10	0.00
d) Dividend Paid:			
1. Deepak Arneja	Key Management Personnel	17.13	10.53
2. Ravinder Mohan Juneja	Key Management Personnel	15.16	12.12
3. Gagandeep Singh Narang	Key Management Personnel	1.96	1.63
4. Vinod Kumar	Key Management Personnel	0.06	0.05
5. Sunil Mishra	Key Management Personnel	0.02	0.01
6. Dheeraj Juneja	Close Family Member of Key Management Personnel	4.71	3.93
7. Sudhir Arneja	Close Family Member of Key Management Personnel	11.77	7.09

Terms and conditions of transactions with related parties:

- Director's remuneration for the year 2019-2020 is as per limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013.
- All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.

Note : 36 Disclosure in respect of Derivative Instruments:-

- a) No Derivates Instruments (Forward Exchange Contract) outstanding as at 31st March, 2020.
- b) Foreign currency exposures that are not hedged by derivative instruments as at 31st March, 2020:-

(₹ in Lacs)

Particulars	EURO	USD	GBP
Import Trade Payables	0 (0)	0 (2.93)	0 (0)
Export Trade Receivables	5.23 (12.09)	1.70 (4.63)	1.12 (3.51)
Working Capital Loan (PCFC) (Including Interest)	7.90 (11.36)	3.40 (3.48)	0.98 (0.51)

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)

Item	2019-20		2018-19	
	Value	% age	Value	% age
Imported	198.36	5.39	1164.91	22.48
Indigenous	3484.98	94.61	4016.19	77.52
	3683.34	100.00	5181.10	100.00

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

Item	2019-20		2018-19	
	Value	% age	Value	% age
Stores, Spare parts and Packing Material				
Imported	107.18	08.30	168.08	09.85
Indigenous	1184.10	91.70	1537.73	90.15
	1291.28	100.00	1705.81	100.00

Note : 38 C.I.F. Value of Imports

(₹ in Lacs)

	2019-20	2018-19
- Plant & Machinery	24.61	133.98
- Raw Material	163.51	966.26
- Consumables, Stores & Spares	14.16	64.84
- Packing Material	32.10	72.54
- Tool & Dies	41.84	30.01

Note : 39 Expenditure in Foreign Currency

(₹ in Lacs)

	2019-20	2018-19
- Travelling Expenses	14.74	14.30
- Business Promotion & Advertisement	0.70	3.93
- Interest on Buyers Credit	0.00	6.15
- Bank Charges	4.99	5.22
- Interest on PCFC	28.54	31.16
- Commission	36.94	21.18

Note : 40 Earning in Foreign Currency

(₹ in Lacs)

	2019-20	2018-19
Exports at FOB Value	6403.46	8357.27

Note : 41 Leases (Operating Lease)

The Company has taken one of its factory premises on lease at Rohtak. The Lease Agreement is valid till 31st December, 2022. The Company has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 using modified retrospective approach along with a transition option to recognise Right of use (ROU) asset at an amount equal to the lease liability. Accordingly, there is no impact of Ind AS 116 adoption to the retained earnings as at April 1, 2019 or the results reported for the year ended March 31, 2019. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The details of the right-of-use asset, Lease Liability and Depreciation on right-of-use-asset & Interest on Lease Liabilities are as follows:

(₹ in Lacs)

Particulars	Addition for the year ended March 31, 2020 (Right- of- use asset and Lease Liabilities) (refer Note 5(b) and Note 15 and Note 19)	Depreciation on right-of-use asset during the year 2019-20 (Refer Note 5 (b))	Interest on Lease Liabilities shown as Finance cost during year ended March 31, 2020 (refer Note 28)	Lease Rent shown as other expenses during year ended March 31, 2019
Land & Building	46.63	11.66	5.13	17.82

Note : 42 Expenditure on Corporate Social Responsibility (CSR)

(₹ in Lacs)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
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 preceding years)	19.35	15.58
b) Amount spent on:		
i) Construction/ acquisition of any asset	00	00
ii) On purpose other than i) above		
a. eradicating hunger & poverty and ensuring environmental sustainability	–	15.58
b. animal welfare	19.50	–

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

The Company's principal financial assets include short terms arrangements, trade and other receivables, cash and short-term bank deposits that derive directly from its operations.

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The financial risk management for the Company is driven by the Company's senior management subject to necessary supervision. The Company's risk management strategies focus on the unpredictability of the financial environment and seek to mitigate its potential adverse effects on the financial performance of the Company.

The Company's all operating divisions 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, credit, liquidity and certain other price risks, which result from both its operating and investing activities.

b) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted. 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, two customers' form more than 10% of the company's total 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, 2020, the top 10 customers accounted for approximately 60% (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:

MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31st March, 2020 (Contd.)

(₹ in Lacs)

	As at 31 st March, 2020	As at 31 st March, 2019
More than 180 days	48.96	135.53
Not More than 180 days	1334.26	2481.97
Total (Refer Note. 6(b) & 10)	1383.22	2617.50

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 short term debt obligations with floating interest rates as the company has zero long term debt obligations.

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).

No Forward contracts were entered into by the company either during the year or previous years since the company has very minimum exposure to foreign currency risk.

e) Equity price risk

The Company's investments are in listed equity securities. Equity risk is the risk involved in the changing prices of stock investments in the share market. 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. 5.12 Lacs (31st March, 2019: Rs. 12.55 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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

The company does not have any long term debt outstanding as on 31.03.2020. The Company assessed the concentration of risk with respect to refinancing its short term 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 analysis of the Company's Trade Payable, Lease Liabilities on account of transition to Ind AS 116 and financial liabilities except short term borrowing repayable on demand:

(₹ in Lacs)

Year ended 31 st March, 2020	Less than one year	More than one year
Interest-bearing borrowing except short term borrowings	Nil	Nil
Other financial liabilities	14.96	Nil
Lease Liabilities	11.41	24.89
Trade Payables	1723.45	9.92

(₹ in Lacs)

Year ended 31 st March, 2019	Less than One year	More than one year
Interest-bearing borrowing except short term borrowings	Nil	Nil
Other financial liabilities	35.26	Nil
Lease Liabilities	Nil	Nil
Trade Payables	2103.43	0.76

h) Other risk – Impact of COVID-19

The outbreak of the deadly Covid-19 pandemic, followed by the lockdown in the country has adversely affected the business operations of the Company. Due to the rapid spread of the Covid-19 in the Country, the health of the employees and workers of the Company has become priority of the Company over the business operations. The Company's operations were hit during the period of lockdown, as there was no production during this period. Although company resumed its manufacturing operation from April 27 but our manufacturing plants are operating at 50 or 60% of its production capacity only. In the initial days, we were running our operations with limited workforce, as stipulated by the Government. This unproductive lockdown has resulted in the financial burden for the Company as company's green field project (construction of new Plant) has been deferred for atleast 6-9 months due to outbreak of this covid-19 pandemic although there is no impact seen on capital & financial resources of the company because the Company has no long term debt and the utilization of working capital is well within the bank limits. At present we do not foresee any major adverse impact on the supply chain side of the company. The company has considered such impact to the extent known and available currently but not limited to profitability, supply chain, financing arrangements & demand of its products & etc. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature, duration and the extent covering almost the whole world. Overall, the balance period of the financial year, of 2020–2021, is likely to be difficult but we do hope the business situation should normalize from the 3rd and 4th Quarter of this year.

As per our report of even date

For B.L. Khandelwal & Co.

For & on behalf of the Board of Directors

Chartered Accountants**FRN: 000998N****CA B.L. Khandelwal***(Partner)*

Membership No. F-12331

Deepak Arneja

(Managing Director & CEO)

DIN:- 00006112

Ravinder Mohan Juneja

(Managing Director)

DIN:- 00006496

Place: Rohtak**Date: 29/06/2020****Sunil Mishra**

(Chief Financial Officer)

Nidhi Pathak

(Company Secretary)

