

# MOHINDRA FASTENERS LTD.

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## BOARD OF DIRECTORS

Mr. Vinod Kumar  
Non - Executive Independent Director

Mr. Deepak Arneja  
Managing Director & CEO

Mr. Ravinder Mohan Juneja  
Managing Director

Mr. Jatinder Pal Singh Narang  
Non - Executive Director

Mr. Sudhir Arneja  
Whole Time Director

Mrs. Anjali Malik  
Non - Executive Independent Director

## SENIOR EXECUTIVES

Mr. Anurag Arneja  
(General Manager-Operations)

Mr. Dheeraj Juneja  
(General Manager-SCM)

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

## CHIEF FINANCIAL OFFICER COMPANY SECRETARY

Mr. Sunil Mishra  
Ms. Asha Mittal

## BANKERS

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

## STATUTORY AUDITORS

M/s. GSK & Associates LLP,  
Chartered Accountants  
8,1st Floor, Rani Jhasi Road,  
Motia Khan, Industrial Area, New Delhi -110055

## SECRETARIAL AUDITORS

M/s Anand Nimesh & Associates,  
Company Secretaries  
183B,Second Floor, Gurudwara Road,  
West Guru Angad Nagar, Laxmi Nagar,  
New Delhi-110092

## COST AUDITOR

Sanjay Kumar Garg & Co.  
Cost Accountants  
Shop No. 2, First Floor, Pocket - H-34  
Plot No. 35, Sector -3, Rohini, New Delhi - 110085

## REGISTRAR & SHARE TRANSFER AGENT

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

**REGISTERED OFFICE**

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

**WORKS (IN INDIA)**

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

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

**CORPORATE IDENTITY NO.:**

L74899DL1995PLC064215

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**21st ANNUAL GENERAL MEETING:**

Date & Day: Wednesday, 30th September, 2015  
**Time** : 11.30 A.M  
**Venue** : Apsara Grand Banquet Halls, A-1/20 B,  
 Paschim Vihar, Rohtak Road, Near  
 Paschim Vihar West, Metro Station,  
 Pillar No. 255, New-Delhi-110063

**INSTRUCTION TO THE MEMBERS**

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

**BOOK CLOSURE DATES**  
**24th September, 2015 TO 30<sup>th</sup>**  
**September, 2015**

## MANAGING DIRECTOR'S MESSAGE

Dear Members,

It's my privilege to present the 21st Annual Report of the Company for the year ended on 31st March, 2015. During the period ended 31st March, 2015 the company has earned a profit of Rs. 657.56 Lacs on a Total Sales Revenue of Rs. 9261.71 Lacs. The Corresponding Figures were for previous year, profit of Rs. 651.43 Lacs on a Total Sales Revenue of Rs. 9177.17 Lacs

I place on record my appreciation to the efforts of our employees, customers, partners, bankers and other business associates. Our Board of Directors, as always, has been very supportive and has provided the requisite guidance in operating your company throughout the year.

Like everyone else, I too look forward to healthier, happier and more upbeat times and pledge to commit ourselves as a responsible player in the Fastener Industry and the Indian industry at large to successfully achieve the vision of "Make In India" of our Prime Minister. Our successful Export sales to the developed western countries do prove that your Company has a potential to do much more and truly reflects the proud feeling of "Make In India."

The Indian Automotive Industry could not grow as was expected, in FY 2014-15. However I do feel that the onset of Festival season this year should bring about exciting growth opportunities. Our sales team is being motivated to look for new business contracts which should help the company in the medium to long term. The Export growth last year was hurt by falling Euro and concerns over Greece and other EU countries. Although it seems that the worst is over but the demand has not picked up the way it should have. We are adding some new customers in untapped markets to diversify our client portfolio.

I am delighted to inform you your Company is taking adequate steps to list the scrip of the Company on Bombay Stock Exchange under the Direct Listing Scheme.

I am also excited to inform you the Company will initiate steps soon to start the work on the new Plant at IMT Rohtak, the land for which was already bought from HSIIDC last year, under the Installment scheme. Further, as per terms of 'Letter of Allotment' from HSIIDC, the title deed in respect of land acquired will be executed after the full payment to HSIIDC.

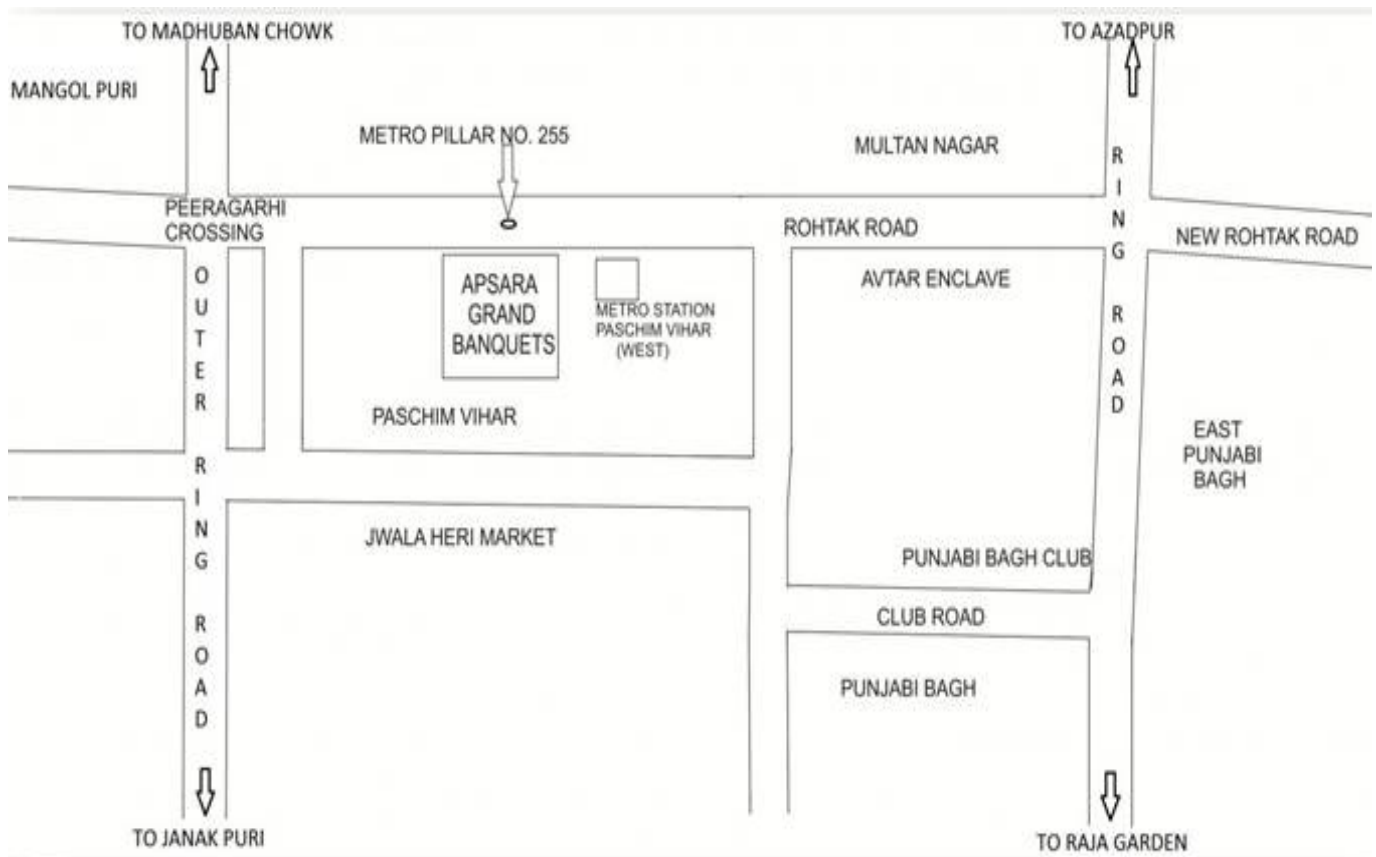
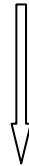
### **Acknowledgement**

I would like to end by expressing my sincere appreciation and thanks to all shareholders, and well-wishers for their continued support and trust in the management of the Company. I would also like to thank my colleagues on the Board for their support and guidance to the Company's management in encouraging the management in meeting the challenges in the growth path.

**ROUTE MAP TO THE VENUE OF THE AGM**

**VENUE:**

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



## NOTICE

NOTICE is hereby given that the **Twenty First Annual General Meeting** of the Members of MOHINDRA FASTENERS LIMITED will be held on Wednesday, the 30th September, 2015 at 11.30 A.M. at Apsara Grand Banquet Halls, A-1/ 20 B, Paschim Vihar, Rohtak Road, Near Paschim Vihar West Metro Station, Pillar No. 255, New-Delhi-110063 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015, the Reports of the Board of Directors and Auditors thereon.
2. To declare the dividend on Equity Shares for the financial year ended on 31st March, 2015.
3. To appoint a Director in place of Mr. Ravinder Mohan Juneja (DIN No. 00006496) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED** that pursuant to the provisions of section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, pursuant to the recommendations of the audit committee of the board of directors and pursuant to the resolution passed by the members at the Annual General Meeting held on 25th September, 2014, the appointment of M/s GSK & Associates LLP (Firm Registration No.: 013838N/N500003), Chartered Accountants, New Delhi, as the Statutory Auditors of the Company to hold office till the conclusion of Twenty Third Annual General Meeting (AGM), be and is hereby ratified and that the board of directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31st March, 2016 as may be determined by the audit committee in consultation with the auditors as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS

5. To approve the remuneration of Cost Auditor for the financial year ending 31st March, 2016 and in this regard, to consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactments thereof, for the time being in force, the cost auditors, M/s. Sanjay Kumar Garg & Co. (Firm Registration No. 000344), Cost Accountants, appointed by the Board of Directors of the Company, to conduct the audit of Cost records of the Company for financial year ending 31st March, 2016, be paid and ratifies the remuneration as set out in the statement annexed to the notice convening this meeting.

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

6. To Issue and Offer of Cumulative, Non Convertible, Non- Participating, Redeemable Preference Shares ("CNNRPS") on a Private Placement basis and in this regard, to consider and, if thought fit, to pass with or without modification, the following Resolution as an Special Resolution:

**"RESOLVED THAT** in accordance with the provisions of Sections 23, 42, 55 read with Rule 9 of Companies (Share Capital and Debentures) Rules, 2014, Rule 14 of Companies (Prospectus of Securities) Rules, 2014 and other applicable sections, provisions, rules, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as may be amended from time to time and the Articles of Association of the

Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to approval of shareholders and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the company be and is hereby accorded to the Board to create, offer or invite to subscribe, to issue and allot 50,00,000 (Fifty Lacs) 11% Cumulative, Non Convertible, Non-Participating, Redeemable Preference Shares ("CNNRPS") of Rs. 10/- (Rupees Ten Only) each at a total price not exceeding Rs. 10/- per CNNRPS as determined by the Valuation Certificate/Report of Merchant Banker/Independent Valuer as approved by the Board of Directors of the Company aggregating to Rs. 5,00,00,000 (Rupees Five Crores Only) as 11% Cumulative, Non Convertible, Non-Participating, Redeemable Preference Shares ("CNNRPS") for cash at par on a private placement basis, to such person or persons and in such proportion and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting."

**"RESOLVED FURTHER THAT** the main terms and conditions of issue of said 11% Cumulative, Non Convertible, Non-Participating, Redeemable Preference Shares ("CNNRPS") as per the agreement are as under: -

1. Each Preference share has a face value of Rs. 10 (Rupees Ten only).
2. The Preference shares shall carry preferential right with respect to payment of dividend.
3. The Preference shares shall have preference of repayment in the event of winding up or repayment of capital by the Company.
4. The Preference shares shall be redeemable within a period of 20 years from the date of issue or earlier at the option of the Company.
5. The payment of dividend is on cumulative basis.
6. The preference shares not carrying right to participate in surplus funds and not to participate in surplus assets and profits on winding up which may remain after the entire capital has been repaid.
7. These preference shares are non convertible and shall not be converted in the equity shares.
8. The preference shares not carrying a same right to vote as carrying with equity shares, but carrying such voting right on such terms and conditions in such circumstances as stipulated u/s 47 of Companies Act, 2013 and other applicable provisions, if any.

**RESOLVED FURTHER THAT** price of the issue of "CNNRPS" has been fixed by the Board at its meeting held on 31st July, 2015 after taking into consideration all valuation done by the Merchant Banker/Independent Valuer and all other relevant factors including future prospects of the Company.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above said resolution, the Board of Directors of the Company be and is hereby authorised to take all actions as may be necessary, desirable, expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek further approvals of the Company or otherwise to the end and intent that the Company and the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power herein conferred to any of the Directors of the Company and to do generally all such acts, deeds and things as may be necessary or incidental to give effect to the aforesaid resolution.

By Order of the Board  
Sd/-

Deepak Arneja  
DIN: 00006112

(Managing Director & CEO)

Place: New Delhi  
Dated: 31st July, 2015

## MOHINDRA FASTENERS LTD.

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### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY IN FORM NO. MGT 11 TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBER(S) NOT EXCEEDING FIFTY(50) MEMEBERS AND HOLDING IN THE AGREEGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.**

2. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
3. The Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of special business(s) of the notice as set out above is annexed hereto. The additional and relevant details of the Director seeking re-appointment in Item No.3 under Ordinary Business, pursuant to Clause 49 of the Listing Agreement are annexed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. M/s Skyline Financial Services Private Limited, D-153/A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 is the Registrar and Share Transfer Agent for physical shares of the Company. M/s Skyline Financial Services Private Limited is also the depository interface of the Company with both NSDL and CDSL.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24th, 2015 to Wednesday, September 30th, 2015 (both days inclusive) for the purpose of payment of final dividend for the financial year ended on 31st March, 2015 and the Annual General Meeting (AGM).
10. For the convenience of the members, attendance slip is enclosed with the Annual Report. Members/Proxy holders/Authorized representative should bring the attendance slips duly filled in and signed and surrender the same at the venue of the AGM for attending the meeting. Proxy/ Authorized Representatives of a member should state on the attendance slip as "Proxy or Authorized Representative "as the case may be.
11. Members, who are holding shares in the identical order of names in more than one folio, are requested to write to the Company to enable it to consolidate their holding in one folio.
12. Members are requested to quote their folio number, DP ID/Client ID and the Company's name in all correspondence with M/s Skyline Financial Services Private Limited, Who is acting as our Registrar and Share Transfer Agent.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining

their demat accounts. Members holding shares in physical form are required to submit their PAN details to the Company or M/s Skyline Financial Services Private Limited (RTA).

14. Members are requested to bring their copy of Annual Report to the Meeting.
15. The Company's shares are compulsorily traded in demat form, hence the member(s) who are holding Equity Shares in physical form are requested to get them dematerialized. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrars and Transfer Agents for assistance in this regard. The ISIN code of our securities with CDSL & NSDL is INE705H01011.
16. With a view to using natural resources responsibly and as permitted by the Listing Agreement and Companies Act, 2013, we humbly request shareholders to update their email address, with their Depository Participants or to Company's Registrar and Share Transfer Agent or may email at the designated email ID of the Company i.e. [cs@mohindra.asia](mailto:cs@mohindra.asia), to enable the Company to send communications electronically and to support Green Initiative.
17. The Annual Report 2014-15, Notice of the 21st AGM and instructions for e-voting along with the attendance slip and Proxy form is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the above said documents are being sent by the permitted mode.
18. Members may also note that the Notice of the 21st AGM and the Mohindra Fasteners Limited's Annual Report 2014-15, instructions for e-voting along with the attendance slip and Proxy form will be available on the Company's website at [www.mohindra.asia](http://www.mohindra.asia). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [cs@mohindra.asia](mailto:cs@mohindra.asia).
19. Members whose shareholding is in electronic mode are requested to direct update their bank account particulars, change of address and other details with their respective Depository participants as well as to the Registrar and Transfer Agents (RTA) of the Company.
20. The Company has designated an exclusive e-mail id i.e [cs@mohindra.asia](mailto:cs@mohindra.asia) for redressal of shareholders'/ Investors' complaints/Grievances. In case you have any queries/ complaints or grievances, then please write to us at the above mentioned e-mail address.
21. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be credited/deposited in a separate bank account within a period of 5 days and will be dispatched/paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of members as on September 23rd, 2015. The final dividend is Rs. 2 per Equity Share.
22. Members are encouraged/ advised to utilize the Electronic Clearing System (ECS) for receiving dividends.
23. Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013 and other applicable provisions and any further rules as may be notified by the central government in this regard, any dividend transferred by the company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to a fund called Investor Education & Protection Fund (the fund), set up by the Central Government.



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Accordingly, unpaid/ unclaimed dividend for the Financial Year 2007-08 shall become transferrable to the fund on 12th October, 2015. No claim shall lie thereafter against the company in respect of such amounts transferred for the Financial Year 2007-08. Shareholders are therefore requested to verify their records and send claims if any, for the relevant year(s) for FY 2007-08 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 and respective due dates for claiming by the shareholders.

| Dividend Year | Date of Declaration | Date for claim |
|---------------|---------------------|----------------|
| 2007-08       | 13/09/2008          | 12/09/2015*    |
| 2008-09       | 29/09/2009          | 28/09/2016*    |
| 2009-10       | 30/09/2010          | 29/09/2017*    |
| 2010-11       | 16/09/2011          | 15/09/2018*    |
| 2011-12       | 22/09/2012          | 21/09/2019*    |
| 2012-13       | 30/09/2013          | 29/09/2020*    |
| 2013-14       | 25/09/2014          | 29/10/2021     |

\*Last date of claim shall be in above cases is above mentioned "date for claim" + 30 days

Those members who have not so far claimed their dividend for the financial year, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12, 2012-13, 2013-14 are requested to make their claims to the company for obtaining their respective Demand Draft(s).

Members wishing to claim dividend(s), which remain unclaimed, are requested to correspond with Ms. Asha Mittal, Company Secretary, at the Company's registered office.

24. Pursuant to the prohibition imposed vide Secretarial Standard of General Meeting (SS-2), no GIFTS/Coupons shall be distributed at the General Meeting.
25. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 1.00 pm on all working days up to date of the Annual General Meeting of the Company.
26. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

### 27. CUT OFF DATE:

(i) This Notice is being sent to all the members whose name appears as on 28th August, 2015 in the register of members or beneficial owners as received from M/s Skyline Financial Services Private Limited, the Registrar and Transfer Agent of the Company.

(ii) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Wednesday, September 23rd, 2015 (the "Cut Off Date") only shall be entitled to vote through Remote E-voting and at the AGM and also entitled to final dividend. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date.

### 28. VOTING BY MEMBERS

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

- (i) Members may cast their votes through electronic means by using an electronic voting system from a

place other than the venue of AGM ("Remote E-voting") in the manner provided below during the e-voting period.

(ii) At the venue of AGM, voting shall be done through ballot papers ("Ballot Paper") and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.

(iii) A Member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.

## **(I) VOTING THROUGH ELECTRONIC MEANS**

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment, Rules 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice electronically and the business mentioned in the Notice may be transacted through e-voting. Remote E-voting is optional and not mandatory. The Company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing Remote E-voting facility to all its Members. The process and manner of Remote E-voting are as under:

### **PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE THROUGH ELECTRONIC MEANS:**

#### **(A) Instruction for e-voting by Members whose email ID's are registered with the Company/Depository Participant(s)**

1. Members whose email addresses are registered with the Company/Depository Participant(s) will receive an email from NSDL informing the "USER-ID" and "PASSWORD".
2. Open the e-mail and also open the attached PDF file with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
3. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>.
4. Click on "Shareholder- Login".
5. Enter the User ID and password as initial password noted in step (1) above and Click Login.
6. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
7. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
8. **Select "EVEN" of Mohindra Fasteners Limited. Members can cast their vote online from 25th September, 2015 (9:00 A.M.) till 29th September, 2015 (5:00 P.M.).**  
**Note: Remote E-voting shall not be allowed beyond said time.**
9. Now you are ready for "e-Voting" as "Cast Vote" page opens.
10. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
11. Upon confirmation, the message "vote cast successfully" will be displayed.
12. Once the Vote on the resolution is cast, the Member shall not be allowed to change it subsequently.

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13. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of their duly authorized Signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at vdnnext1711@gmail.com with a copy marked to evoting@nsdl.co.in.

### **(B) Instruction for e-voting by Members whose email ID's are not registered with the Company/Depository Participant(s)**

- (i) For Members whose email IDs are not registered with the Company/Depository Participant(s), will be receiving Notice of AGM (Annual Report) by post. :
- (ii) Initial password is provided on the attendance slip for the AGM.
- (iii) Please follow all steps from Sr. No. 3. to Sr. No. 13 of (IA) above, to cast vote.

### **B. OTHER INSTRUCTIONS**

1. Login to 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 'Forgot Password' option available on the site to reset the same.
2. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
3. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
4. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
5. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

### **(C) Remote E-voting Period**

1. The Remote E-voting period commences from 25th September, 2015 (9:00 A.M.) and ends on 29th September, 2015 (5:00 P.M.). Members of the Company, holding shares either in physical form or in dematerialized form, as on 23rd September, 2015, may cast their vote electronically, during this e-voting period. The e-voting module shall be disabled by NSDL for voting thereafter.

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

Persons who have acquired shares and became members of the Company after the dispatch of the notice of AGM but before the cut-off date of September 23rd, 2015, may obtain their user ID and password for e-voting from the Company's Registrar and Share Transfer Agent or NSDL

### **(E) Scrutinizer**

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

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through Remote E-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall after the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against to the Chairman of the Meeting or a person authorized by him.

**(F) DECLARATION OF RESULTS**

The Results of voting (Remote E-voting and the voting at the AGM) on the resolutions will declare on 30th September, 2015 by the Chairman of the Meeting or any person authorized by him for this purpose. The results declared along with the report of the Scrutinizer shall be placed on the website of the company i.e. [www.mohindra.asia](http://www.mohindra.asia) under Investors' section/link and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com), immediately after the result is declared and simultaneously communicated to the concerned Stock Exchange.

**(E) Queries in relation to E-voting:**

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com). In case of any clarifications on e-voting may contact M/s. Skyline Financial Services Private Limited on number +91- 11- 64732681 -88 or by email at [admin@skylinerta.com](mailto:admin@skylinerta.com) or to NSDL at the following contact information:

Phone No.+91 22 24994600/24994738, Toll free no.1800222990

Email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Place: New Delhi**  
**Dated: 31st July, 2015**

**By Order of the Board**  
**Sd/-**  
**Deepak Arneja**  
**DIN: 00006112**  
**(Managing Director & CEO)**

## MOHINDRA FASTENERS LTD.

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

#### ITEM NO. 5

The Company is directed, under Section 148 of the Act, read with The Companies (Cost Records and Audit) Rules, 2014 ('the Rules'), to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company on the recommendation of the Audit Committee has approved the appointment and remuneration of the M/s Sanjay Kumar Garg & Co., Cost Accountants, Shop No. 2, First Floor, Pocket - H-34, Plot No. 35, Sector -3, Rohini, New Delhi- 110085, as the Cost Auditors of the Company to conduct the audit of the cost records of the Company across concerned segment(s), for the financial year ending March 31, 2016 at a remuneration of Rupees Thirty Thousand p.a plus service tax and out-of-pocket expenses.

M/s Sanjay Kumar Garg & Co. has furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

M/s Sanjay Kumar Garg & Co. has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the past few years.

In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of remuneration payable to M/s Sanjay Kumar Garg & Co. as the Cost Auditors of the Company.

None of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution, set out at Item No. 5 of the Notice for approval by the shareholders. Your Directors recommend the resolution for your approval.

#### ITEM NO. 6

With a view to meet the requirements of funds for general corporate needs, it has been decided to raise resources by creating initially and issue of fresh Preference Share Capital. In terms of provisions of Sections 23, 42, 55 read with Rule 9 of Companies (Share Capital and Debentures) Rules, 2014, Rule 14 of Companies (Prospectus of Securities) Rules, 2014 and other applicable sections, provisions, rules, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as may be amended from time to time and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, the Company may issue shares to the selected existing members of the Company subject to approval of Members in general meeting by way of passing special resolution. As the Preference Shares are proposed to be allotted on a private placement basis to the selected existing members of the Company, consent of members of the Company is being sought by way of intended special resolution. The Board of Directors is of the opinion that the proposed issue and allotment of shares on private placement basis will be in the best interest of the Company and accordingly recommends the special resolution for approval.

The approval of the Members is accordingly being sought by way of above stated Special Resolution subject to the applicable provisions of the said Act, for the issue of **11% Cumulative, Non Convertible, Non-Participating, Redeemable Preference Shares ("CNNRPS")** aggregating an amount not exceeding Rs. 5 Crores, to offer and allot the "CNNRPS" on a private placement basis.

Given below is a statement of disclosures as required under Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, the terms and relevant information regarding the issue of the "CNNRPS":

1. **Nature/Type of Share(s):** Cumulative, Non Convertible, Non-Participating, Redeemable Preference Shares.
2. **The objective of the issue:** To meet the requirements of funds for setting up of New Plant for the growth of

business of the Company.

3. **The Size of issue and number of preference shares to be issued and nominal value:** 50 Lacs Preference Shares ("**CNNRPS**") is to be issued at Rs. 10 (Rupees Ten Only) each at par which aggregating an amount not exceeding Rs. 5 Crores Only (Issue Size).
4. **The Manner of issue of Shares:** Through Private Placement to the selected existing Members of the Company.
5. **Price or price band at/ within which the allotment is proposed:-** Preference Share ("**CNNRPS**") of Rs. 10/- each of the Company are proposed to be allotted at a price not exceeding Rs. 10/- per **CNNRPS** for cash at Par as determined by the Valuation Certificate/Report of Merchant Banker/Independent Valuer as approved by the Board of Directors of the Company in their board meeting dated 31st July, 2015.
6. **The relevant date and the basis on which price has been arrived at (Justification for Price):** The price of the issue has been fixed by the Board at its meeting held on 31st July, 2015 after taking into consideration all the valuation done by the Merchant Banker/Independent Valuer on the basis of fair valuation method and all other relevant factors including future prospects of the Company.
7. **The Terms of Redemption, including tenure:** The Preference shares shall be redeemable with in a period of 20 years from the date of issue or earlier at the option of the Company. So as tenure of **CNNRPS** shall not exceed 20 years. Redemption at par in accordance with Section 55 of the Act, out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption.
8. **Manner and Modes of Redemption:** At the option of Company
9. **Expected dilution in equity share capital upon conversion of preference shares:** Nil, since these preference shares are non convertible and shall not be converted in the equity shares.
10. **The Terms of Issue, including terms and rate of dividend on each share are following:**
  - a) Each Preference share has a face value of Rs. 10 (Rupees Ten only) and to be issued at par.
  - b) The Preference shares shall carry preferential right with respect to payment of dividend and shall have preference of repayment in the event of winding up or repayment of capital by the Company.
  - c) The payment of dividend is on cumulative basis and rate of fixed dividend is 11%
  - d) The preference shares not carrying right to participate in surplus funds and not to participate in surplus assets and profits on winding up which may remain after the entire capital has been repaid.
  - e) The preference shares not carrying a same right to vote as carrying with equity shares, but carrying such voting right on such terms and conditions in such circumstances as stipulated u/s 47 of Companies Act, 2013 and other applicable provisions, if any.
  - f) Offer Period: To be determined by the board of director.
11. **The class or classes of persons to whom the allotment is proposed to be made:** The **CNNRPS** are proposed to be allotted to the selected existing members.
12. **Intention of Promoters/Directors/Key Managerial Persons to subscribe the offer:** The Key Managerial Persons don't have any intention to subscribe the **CNNRPS** of the Company.
13. **Proposed time within which the allotment shall be completed:** The process of allotment shall be completed within 60 days from the date of receipt of application money.

## MOHINDRA FASTENERS LTD.

### 14. The pre issue and post issue Shareholding Pattern of the company:

| Sr. No.                 | Category                        | Type of Share        | Pre Issue          |                    | Post Issue         |                    |           |
|-------------------------|---------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------|-----------|
|                         |                                 |                      | No. of shares held | % of share holding | No. of shares held | % of share holding |           |
| <b>A</b>                | <b>Promoters' holding :</b>     |                      |                    |                    |                    |                    |           |
|                         | 1. <b>Indian :</b>              | Individual           | Equity             | 34,90,200          | 65.16              | 34,90,200          | 65.16     |
|                         |                                 |                      | Preference         | -                  | -                  | 30,00,000          | 60.00     |
|                         |                                 | Bodies Corporate     | Equity             | 3,87,000           | 7.22               | 3,87,000           | 7.22      |
|                         |                                 |                      | Preference         | -                  | -                  | 10,00,000          | 20.00     |
|                         | <b>Sub Total</b>                |                      | Equity             | 38,77,200          | 72.38              | 38,77,200          | 72.38     |
|                         |                                 | Preference           | -                  | -                  | 40,00,000          | 80.00              |           |
|                         | 2. <b>Foreign Promoters</b>     |                      | Equity             | -                  | -                  | -                  | -         |
|                         |                                 |                      | Preference         | -                  | -                  | -                  | -         |
|                         |                                 | <b>Sub Total (A)</b> |                    | Equity             | 38,77,200          | 72.38              | 38,77,200 |
|                         |                                 | Preference           | -                  | -                  | 40,00,000          | 80.00              |           |
| <b>B</b>                | <b>Non-Promoters' holding :</b> |                      |                    |                    |                    |                    |           |
|                         | 1. Institutional Investors      | Equity               | -                  | -                  | -                  | -                  |           |
|                         |                                 | Preference           | -                  | -                  | -                  | -                  |           |
|                         | 2. <b>Non-Institution :</b>     | Equity               | -                  | -                  | -                  | -                  |           |
|                         |                                 | Preference           | -                  | -                  | -                  | -                  |           |
|                         | Bodies Corporate                | Equity               | 69000              | 1.29               | 69000              | 1.29               |           |
|                         |                                 | Preference           | -                  | -                  | -                  | -                  |           |
|                         | Directors and Relatives         | Equity               | 2000               | 0.04               | 2000               | 0.04               |           |
|                         |                                 | Preference           | -                  | -                  | 2,00,000           | 4.00               |           |
|                         | Indian Public                   | Equity               | 13,87,000          | 25.89              | 13,87,000          | 25.89              |           |
|                         | Preference                      | -                    | -                  | 8,00,000           | 16.00              |                    |           |
| Others (Including NRIs) | Equity                          | 21,600               | 0.41               | 21,600             | 0.41               |                    |           |
|                         | Preference                      | -                    | -                  | -                  | -                  |                    |           |
| <b>Sub Total(B)</b>     |                                 | Equity               | 14,79,600          | 27.63              | 14,79,600          | 27.63              |           |
|                         |                                 | Preference           | -                  | -                  | 10,00,000          | 20.00              |           |
| <b>GRAND TOTAL</b>      |                                 | Equity               | 53,56,800          | 100                | 53,56,800          | 100                |           |
|                         |                                 | Preference           | -                  | -                  | 50,00,000          | 100                |           |

**15. The Name of the proposed allottees and the percentage of post preferential offer capital that may be held by them:**

| Sr. No. | Name of Proposed Allottee             | Type of Share | Post issue shareholding on the basis of proposed allotment | % of Shareholding | Post issue shareholding on a fully diluted basis & diluted % of Shareholding |
|---------|---------------------------------------|---------------|--|-------------------|--|
| 1       | Mr. Ravinder Mohan Juneja             | Equity        | 4,84,650   | 9.05              | N.A  |
|         |                                       | Preference    | 5,00,000   | 10.00             | NIL  |
| 2       | Ms. Indra Juneja                      | Equity        | 9,500  | 0.18              | N.A  |
|         |                                       | Preference    | 2,10,000   | 4.20              | NIL  |
| 3       | Mr. Dheeraj Juneja                    | Equity        | 1,57,100   | 2.93              | N.A  |
|         |                                       | Preference    | 2,10,000   | 4.20              | NIL  |
| 4       | Mr. Deepak Arneja                     | Equity        | 4,21,000   | 7.86              | N.A  |
|         |                                       | Preference    | 2,70,000   | 5.40              | NIL  |
| 5       | Mrs. Monica Arneja                    | Equity        | 8,350  | 0.16              | N.A  |
|         |                                       | Preference    | 2,00,000   | 4.00              | NIL  |
| 6       | Mr. Sudhir Arneja                     | Equity        | 2,83,700   | 5.30              | N.A  |
|         |                                       | Preference    | 3,00,000   | 6.00              | NIL  |
| 7       | Mr. Prateek Arneja                    | Equity        | 24,200   | 0.45              | N.A  |
|         |                                       | Preference    | 1,10,000   | 2.20              | NIL  |
| 8       | Ms. Neera Arneja                      | Equity        | 35,800   | 0.67              | N.A  |
|         |                                       | Preference    | 60,000   | 1.20              | NIL  |
| 9       | Mr. Anurag Arneja                     | Equity        | 4,50,800   | 08.42             | N.A  |
|         |                                       | Preference    | 3,20,000   | 6.40              | NIL  |
| 10      | Ms. Ritu Arneja                       | Equity        | 13,500   | 0.25              | N.A  |
|         |                                       | Preference    | 3,20,000   | 6.40              | NIL  |
| 11      | M/s. Kanpur Delhi Goods Carriers Ltd. | Equity        | 2,12,000   | 3.96              | N.A  |
|         |                                       | Preference    | 10,00,000  | 20.00             | NIL  |
| 12      | Mr. Ranbir Singh Narang               | Equity        | 4,03,700   | 7.54              | N.A  |
|         |                                       | Preference    | 1,25,000   | 2.50              | NIL  |
| 13      | Mrs. Jatinder Kaur Narang             | Equity        | 1,44,300   | 2.69              | N.A  |
|         |                                       | Preference    | 1,25,000   | 2.50              | NIL  |
| 14      | Mr. Jatinder Pal Singh Narang         | Equity        | 1,86,000   | 3.47              | N.A  |
|         |                                       | Preference    | 1,00,000   | 2.00              | NIL  |
| 15      | Mr. Livleen Singh Narang              | Equity        | 1,51,700   | 2.83              | N.A  |
|         |                                       | Preference    | 50,000   | 1.00              | NIL  |
| 16      | Mr. Gagandeep Singh Narang            | Equity        | 65,300   | 1.22              | N.A  |
|         |                                       | Preference    | 50,000   | 1.00              | NIL  |
| 17      | Mr. Gobind preet Singh Narang         | Equity        | 40,000   | 0.75              | N.A  |
|         |                                       | Preference    | 50,000   | 1.00              | NIL  |
| 18.     | Ms. Kanta Devi                        | Equity        | 4,44,800   | 8.30              | N.A  |
|         |                                       | Preference    | 4,00,000   | 8.00              | NIL  |
| 19.     | Mr. Vinod Kumar                       | Equity        | 2,000  | 0.04              | N.A  |
|         |                                       | Preference    | 2,00,000   | 4.00              | NIL  |
| 20.     | Mr. Gagan Soni                        | Equity        | 2,300  | 0.04              | N.A  |
|         |                                       | Preference    | 4,00,000   | 8.00              | NIL  |



## MOHINDRA FASTENERS LTD.

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16. **The change in control, if any, in the company that would occurs consequent to the private placement offer of Preference Shares:** The said allotment of Preference Shares would not result in any change in control over the Company.
17. **The number of persons to whom allotment on private placement basis has already been made during the year, in terms of number of securities as well as price:** There was no allotment made during the year.
18. **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:** As there is no consideration in kind so no justification is required.

None of the Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice. The Directors of the Company or their relatives may be deemed to be concerned or interested in the said Resolution at Item No. 6 to the extent of the CNNRPS that may be subscribed by them or by the companies/firms in which they are interested.

The Board commends the Spacial Resolution, set out at Item No. 6 of the Notice for approval by the shareholders. Your Directors recommend the resolution for your approval.

Place: New Delhi  
Dated: 31st July, 2015

By Order of the Board  
Sd/-  
Deepak Arneja  
DIN: 00006112  
(Managing Director & CEO)

**Relevant Details for ITEM No.3**

**Details including Brief Resume of Director seeking re-appointment at the forthcoming Annual General Meeting**

**(Pursuant to Clause 49 of the Listing Agreement)**

|  |   |
|--|---|
| Name of Director   | Mr. Ravinder Mohan Juneja   |
| Date of Birth  | 11th September, 1951  |
| Date of appointment (Original)   | 10th January, 1995 (Since Incorporation)  |
| Nature of his expertise in specific functional areas   | He has immense years of experience in Manufacturing Field.  |
| List of companies in which Directorship held as on 31.03.2015  | PUBLIC COMPANIES<br>■ Mohindra Fasteners Limited<br>PRIVATE COMPANIES<br>■ Nil                            |
| List of Committees in which he is a Chairman/Member of the Committees of the Board of the companies as on 31.03.2015 | Chairman<br>■ Nil<br>Member<br>■ Stakeholders Relationship Committee<br>■ Corporate Social Responsibility |
| No. of shares held in the Company  | 4,84,650 Equity Shares  |
| Shareholding in the company.   | 09.05%  |

**Additional Information on director recommended for re-appointment as required under Clause 49 of Listing Agreement**

|                            |   |
|----------------------------|---|
| <b>Name</b>                | <b>: Mr. Ravinder Mohan Juneja</b>  |
| <b>Fathers Name</b>        | <b>: Late Shri Krishan Lal Juneja</b>   |
| <b>Qualification</b>       | <b>: Under Graduate</b>   |
| <b>Age</b>                 | <b>: 63 Years</b>   |
| <b>Residential Address</b> | <b>: 1189 - B, DLF Colony, Rohtak, 124001, Haryana, India</b>   |
| <b>Business Experience</b> | <b>: Has more than 20 years of experience in holding responsible positions including directorship in the Company "Mohindra Fasteners Limited". He has more than 35 years of Experience in Manufacturing &amp; Trading of Fasteners Industries. His business acumen, leadership quality, financial and management expertise/techniques have benefited the organization significantly wherever he served.</b> |

## MOHINDRA FASTENERS LTD.

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The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued circulars stating that service of notice /documents including Annual Report can be sent by e-mail to its members. A recent amendment to the Listing Agreement with the Stock Exchanges permits Companies to send soft copies of the Annual Report to all shareholders who have registered their email address for the said purpose. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to give their consent by providing their E -MAIL ID to the Company or to the Registrar and Share Transfer Agent of the Company.

**Place: New Delhi**  
**Dated: 31st July, 2015**

**By Order of the Board**  
**Sd/-**  
**Deepak Arneja**  
**DIN: 00006112**  
**(Managing Director & CEO)**

## BOARD OF DIRECTORS' REPORT

To

**The Members of Mohindra Fasteners Limited**

Your Directors have pleasure in presenting the Twenty First Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended March 31st, 2015.

### **FINANCIAL RESULTS**

The highlights of the Financial Results are as under:

(Rupees in Lacs)

| PARTICULARS                                       | Year ended<br>2014-15 | Year ended<br>2013-14 |
|---|-----------------------|-----------------------|
| <b>Revenue From Operations</b>                    | <b>9261.71</b>        | <b>9177.17</b>        |
| <b>Other Income</b>                               | <b>230.92</b>         | <b>43.53</b>          |
| <b>Total Income/Revenue</b>                       | <b>9492.63</b>        | <b>9220.70</b>        |
| <b>Profit before Interest &amp; Depreciation</b>  | <b>1088.81</b>        | <b>1142.08</b>        |
| Finance Charges                                   | (152.12)              | (178.54)              |
| Depreciation and Amortization expenses            | (279.12)              | (312.11)              |
| <b>Profit/(Loss) for the Year</b>                 | <b>657.57</b>         | <b>651.43</b>         |
| Add/(Less): Extraordinary Items                   | NIL                   | NIL                   |
| <b>Profit before Taxation</b>                     | <b>657.57</b>         | <b>651.43</b>         |
| Add/Less: Provision for Income Tax(Current Tax)   | (217.00)              | (205.00)              |
| Add/(Less): Deferred Tax Assets/ (Liability)      | 4.88                  | (3.88)                |
| <b>Net Profit/(Loss) for the Year after Tax</b>   | <b>445.45</b>         | <b>442.55</b>         |
| Add/Less: Adjustment for previous year            | (3.18)                | 3.74                  |
| Add: Balance brought forward from previous year   | 2021.66               | 1723.18               |
| <b>Less: Balance available for appropriation:</b> | <b>(163.95)</b>       | <b>(147.81)</b>       |
| Proposed Dividend                                 | (107.14)              | (96.42)               |
| Dividend Tax on proposed dividend                 | (21.81)               | (16.39)               |
| Transfer to General Reserve                       | (35.00)               | (35.00)               |
| <b>Balance carried forward</b>                    | <b>2299.98</b>        | <b>2021.66</b>        |

### **1. COMPANY'S VISION**

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

# MOHINDRA FASTENERS LTD.

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## 2. COMPANY'S MISSION

The Company will strive to achieve the following:

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

## 3. REVIEW OF OPERATIONS

### **Gross Sales:**

During the year under review, the total Gross sales of the Company marginally increased to Rs. 9261.71 Lacs as compared to 9177.17 Lacs in the previous year. The increase over last year is under 1%.

### **Domestic Sales:**

The Domestic sales for the FY 2014-15 were Rs. 3637.11 Lacs (previous year Rs. 3622.07 Lacs in FY 2013-14) which were more or less stagnant.

Our Domestic sales could not grow as the general economic environment was not so upbeat. The passenger car industry held back the launch of newer models owing to poor sales in the market. The two wheeler segment was the only one which reflected positive growth whilst all other segments were either with low growth rates or negative growth rates. We are hopeful that this year will demonstrate some better opportunities in the running Financial Year.

### **Export Sales:**

The Export sales for the FY 2014-15 were Rs. 5624.60 Lacs (previous year Rs. 5555.09 Lacs in FY 2013-14) which shows a marginal increase.

The Export sales took a dip in the last quarter of FY 2014-15 on account of softening of Euro due to pressure on EU countries and European Central Bank owing to Greece debts. Despite the above, your company could post a marginal increase in Exports. The figures of Central Government also show that Exports have fallen over the past one year (for the country as a whole) but your company has a reputation of Good quality and this is reflected in the Export sales' figure.

### **Profits:**

The Profit before tax (PBT) of the Company is Rs. 657.57 Lacs as compared to previous year figure of Rs. 651.43 Lacs. The increase in profit before tax as compared to previous year is under 1%.

Your company has lower debt outgo and at competitive interest rates and this is reflected in lower finance costs. The Employment and Energy Costs have gone up and the company is taking adequate measures to control the same.

## 4. CURRENT PERFORMANCE

The year has started on a fairly positive note, although the sentiment is still not very high. The domestic industry

is still waiting for good times and automotive companies have started launching new models in the hope of increasing volumes during the Festive period. We expect a downward pressure on interest rates before the festival period, which is likely to trigger increasing demands.

The exports are satisfactory and we hope that with the revised pricing, newer customers and the hope that the worst is over on "Greece" front, we would be able to increase our Export revenues. The Government has substantially reduced the Export benefits w.e.f 1st April 2015. This along with the lower Euro has put a lot of pressure on the bottom line of the company. Hence the efforts are to be made to diversify in other markets as well.

We hope that this financial year would be a good balanced year for the Company.

#### **5. GREEN FIELD PROJECT**

The Company had purchased in installments, three Acres industrial land (about 12150 sq. meters) at IMT Rohtak, to establish our new manufacturing unit, named as "Unit-III".

Further, as per terms of 'Letter of Allotment' from HSIIDC, the title deed in respect of land acquired will be executed after the full payment to HSIIDC.

We will initiate steps to start the project implementation soon.

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

The Company has been accredited with numerous certifications for adopting and implementing international quality systems in all its operations. Its streamline manufacturing process and ethical business practices have enabled it to earn international certifications like: ISO 9001:2008, ISO/TS 16949:2009 and ISO 14001:2004.

The Company envisages a vision of Zero Defect Policy. The Company has strengthened its efforts towards implementing 5S & Six Sigma to enhance the quality of work and products. Your Company is also having international certification under OHSAS: 18001:2007, which help us to implement safety policies.

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

During the year under review, there is no change in the nature of business of the Company.

#### **8. DIVIDEND**

Keeping in view the Company's tradition of giving high regard to the shareholders of the company, The Board is pleased to recommend the dividend @ 20% i.e. Rs. 2 per share of Rs. 10/- (Previous year Re. 1.80 per share i.e 18%) each fully paid up, for the financial year ended on 31st March, 2015. The dividend, if approved by the shareholders at the ensuing Annual General Meeting shall be payable to shareholders, whose names appear in the Register of Members, as on 23.09.2015. The total outgo on account of dividend, inclusive of Dividend Tax @ 20.3576% (inclusive of Surcharge & Educational Cess) stands at Rs. 128.95 Lacs as compared to 112.81 Lacs in previous year. The tax will not be deducted at source.

#### **9. RESERVES**

We proposes to transfer/ carry Rs. 35,00,000 (Thirty Five Lacs) to the General Reserve. An amount of Rs. 2,78,32,088 (Two Crores Seventy Eight Lacs Thirty Two Thousand Eighty Eight) is proposed to be retained in the surplus.

#### **10. FIXED DEPOSIT**

The Company has not received any fixed deposit and as such no amount of principal or interest was outstanding as on the Balance Sheet Date.

# MOHINDRA FASTENERS LTD.

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## **11. 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"

## **12. PRESENT SHARE CAPITAL**

The Present Authorized Share Capital of the Company consists of Equity Share Capital and Preference Share Capital stands at Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 65,00,000 (Sixty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 55,00,000 (Fifty Five Lacs) Preference Shares of Rs. 10/- (Rupees Ten Only) each.

*(The Preference Share Capital created by increase of Authorized share capital from 6,50,00,000/- to 12,00,00,000/- w.e.f 25th July, 2015(Extraordinary General Meeting) by way of Postal Ballot).*

The Present Issued and Subscribed Share Capital of the Company stands at Rs. 5,47,13,000/- (Rupees Five Crores Forty Seven Lacs and Thirteen Thousand Only) divided into 54,71,300 (Fifty Four Lacs Seventy One Thousand and Thirteen Hundred) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

The Present Paid-Up Share Capital of the Company stands at Rs. 5,35,68,000/- (Rupees Five Crores Thirty Five Lacs and Sixty Eight Thousand Only) divided into 53,56,800 (Fifty Three Lacs Fifty Six Thousand and Eight Hundred) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

**During the year under review, the Company has neither issued any shares with differential voting rights nor had granted any stock options or sweat equity shares.**

## **13. DIRECTORS**

### **Re-appointment**

In accordance with the requirements 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 ensuing Annual General Meeting and being eligible, offer himself for reappointment.

As per the provisions of Companies Act, 2013, none of the Independent Director(s) will retire at the ensuing Annual General Meeting.

At the Twentieth Annual General Meeting of the Company held on 25th September, 2014, the Members had approved the re-appointment of Mr. Deepak Arneja (DIN: 00006112) as a Managing Director and Mr. Sudhir Arneja (DIN: 00007589) as a Whole-Time Director of the Company for a term of five years.

### **Appointment**

During the Financial Year, Mrs. Anjali Malik (DIN:06875087) has been appointed as an additional director w.e.f 30th April, 2014 and further in Twentieth Annual General Meeting, has been regularized and appointed as an Independent Director of the Company.

At the Twentieth Annual General Meeting of the Company held on 25th September, 2014, Members had approved the appointment of Mr. Vinod Kumar (DIN: 02303504) and Mrs. Anjali Malik (DIN: 06875087 ) as Independent Directors of the Company for a term of five years.

## **14. KEY MANAGERIAL PERSON**

### **Appointment and Resignation**

During the Financial Year, Mr. Sunil Mishra has appointed as Chief Financial Officer of the Company w.e.f 30th April, 2014.

Ms. Asha Mittal has appointed as Company Secretary with effect from 11th May, 2015 and Ms. Madhu Kaushik has resigned from the position of Company Secretary with effect from 11th May, 2015.

#### **15. PARTICULARS OF EMPLOYEES**

Pursuant to the Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees and the information required under Section 197 (12) of the Act is appended as Annexure-II.

There are no information required to mention under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as the company has no such employee who fall under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **16. BOARD AND COMMITTEE MEETINGS**

During the year, Four Board Meetings (and two board meetings by circulation), Four Audit Committee Meetings, Four Nomination Committee Meetings, Four Remuneration Committee Meetings, Thirty Six Stakeholder Relationship Committee (Earlier named as Shareholders'/Investors' Grievance Committee) Meetings, Two Corporate Social Responsibility Committee Meetings, One Meeting of Prevention of Sexual Harassment (POSH) Committee (Earlier named as Internal Complaint Committee for Women) were convened and held.

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

The details of the composition of the Board and its Committees and the Date of Meetings held and attendance of the Directors on Board, Members/Chairman on the Committees at such Meetings and other relevant details are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, Clause 49 of the Listing Agreement and other applicable provisions, if any.

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

The current policy is to have appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31st, 2015, the Board consists of Six Directors, three of whom are Executive Directors; whether Managing or Whole Time Director and rest are Non Executive Directors including two Independent Directors (including a women director).The Board periodically evaluates the need for change in composition and size.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of section 178 of the Companies Act, 2013, adopted by the Board, is given in the Corporate Governance Report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

#### **18. 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 Clause 49 of the Listing Agreement, is appended as Annexure-III.

None of the Independent Directors are due for re-appointment.

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

Every new independent director of the Board attends an orientation program. These orientation programmes upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The



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Company familiarizes its new inductees with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, with the strategy, operations and functions of the company. The executive directors/senior managerial personnel make presentations to the inductees about the Company's strategy, operations, business model of the company's product, markets, organization structure, finance, quality, facilities and risk management.

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

### **20. BOARD EVALUATION**

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the board of its own performance and that of its committees and individual directors. Schedule IV of Companies Act, 2013, states that performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the director(s) being evaluated.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The evaluation of all the directors and the board as a whole was conducted based on the criteria and framework adopted by the Board. The Evaluation process has been explained in the Corporate Governance Report section in this Annual Report. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

### **21. COMMITTEES OF THE BOARD**

Presently the Board has four committees: The Audit Committee, Nomination and Remuneration Committee, Stakeholders Relation-ship Committee, Corporate Social Responsibility Committee. The details of composition, functions and other details regarding all the Committees are provided in the Corporate Governance Section.

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

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

### **23. AUDITORS**

#### **I. Statutory Auditors**

At the Twentieth Annual General Meeting held on 25th September, 2014, M/s. GSK & Associates LLP (Firm Registration No.: 013838N/N500003), Chartered Accountants, 8, 1st Floor, Rani Jhansi Road, Motia Khan, Industrial Area, New Delhi - 110055 was appointed as statutory auditor of the Company to hold office till the conclusion of the Twenty Third Annual General meeting to be held in the Financial year 2017-2018 subject to the ratification at every Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s. GSK & Associates LLP, Chartered Accountants, as statutory auditors of the Company is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 and other applicable provisions, if any.

#### **Auditors' Report**

The Auditors' Report does not contain any qualification. 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.

#### **II. Secretarial Auditors**

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s Anand Nimesh & Associates, Practicing Company Secretaries, 183B, Second Floor, Gurudwara Road, West Guru Angad Nagar, Laxmi Nagar, New Delhi-110092, was appointed to conduct the Secretarial Audit of the Company for the financial year 2014-15.

The Secretarial Audit Report for FY 2014-15 forms part of the Annual Report as Annexure-IV to the Board report. The Secretarial Auditor has following observations:

- We, further report that, company has already constituted the committee under Sexual Harassment of Women at workplace (Prevention Prohibition and Redressal) Act, 2013, But due to unavailability of the person associated with NGO, there was no such member in the committee, though company was in process to reconstitute the committee again with NGO's associated person and reconstituted it w.e.f 31st July, 2015. As per explanation made to us by the management of the company, during the financial year 2014-2015, no complaints were received by the Company related to sexual harassment.
- One of the promoter of the company was filed a complaint against the company, with The Registrar of companies, NCT of Delhi and Haryana, during the financial year, under review in which he raised a various point of which company had file a reply to the good office of Registrar of companies as well. This matter is under jurisdiction of the good office of the Registrar of companies, NCT of Delhi and Haryana, so, we hereby, do not comment in the matter till the matter finally settled out.

The report is self-explanatory and does not call for any further comments by the Board of Directors except your Board of Directors wish to clarify on above stated observations:

- Your Company has already constituted the committee under Sexual Harassment of Women at workplace (Prevention Prohibition and Redressal) Act, 2013, But due to unavailability of the person associated with NGO, there was no such member in the committee, though company was in process to get that same and finally the Company has reconstituted the committee again with NGO's associated person w.e.f 31st July, 2015.
- There is one of promoter in the company, filed a complaint against the company with 'The Registrar of companies, NCT of Delhi and Haryana' (ROC), in which he raised various points of which company had filed a suitable reply accordingly.

The Board has re-appointed M/s Anand Nimesh & Associates, Practicing Company Secretaries, as a Secretarial Auditor of the Company for FY 15-16.

### **III. Internal Auditors**

Pursuant to Section 138 of the Companies Act, 2013, The Company continues to engage M/s VPTP & Co. (Firm Registration No.: 15048N), Chartered Accountants, 3208, IInd Floor, Mahindra Park, Pitampura, Delhi as its Internal Auditor. Further, The Board of Directors of the Company has re-appointed, M/s VPTP & Co. as Internal Auditor of the Company for the FY 2015-16.

### **Internal Audit & Controls**

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

### **IV. Cost Auditor**

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As per the Cost Audit Orders, Cost Audit is applicable to the Company, therefore in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014. Your Board of Directors on the recommendation of Audit Committee has appointed, M/s Sanjay Kumar Garg & Co. (Firm Registration No.: 000344), Cost Accountants, Shop No. 2, First Floor, Pocket - H-34, Plot No. 35, Sector -3, Rohini, New Delhi - 110085 as Cost Auditor of the Company, to conduct the audit of cost records of your company for the financial year 2014-15.

Further, The Board of Directors of the Company has already re-appointed, M/s Sanjay Kumar Garg & Co. as Cost Auditor of the Company for the FY 2015-16 and the remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

Your Company will submit its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period for the financial year 2014-15.

### **24. 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.

### **25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.mohindra.asia](http://www.mohindra.asia) under the Investors' section/link.

### **26. MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments, affecting the financial positions of the Company have occurred between the end of the financial year of the Company to which financial statements relates and date of the this report, like in settlement of tax liabilities, operation of patent rights, depression in market value of investments etc. except that The Company has increased its Authorised Share Capital from 6,50,00,000 to 12,00,00,000 by creation of Preference Share Capital amounting Rs. 5,50,00,000 on 25th July, 2015 by way of Postal Ballot (Extraordinary General Meeting).

### **27. 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. But SEBI has withdrawn recognition granted to Delhi Stock Exchange Limited. Therefore, as the Company is listed on Delhi Stock Exchange Limited and that Stock Exchange become Non-Operational. Hence, your Company is now on Dissemination Board of Bombay Stock Exchange vide its letter dated 18th of May, 2015.

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

The Company has an Internal Control Systems commensurate with the size, scale and complexity of its operations which examines and ensures adequate internal checks and control procedures. The Company's internal audit systems are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying areas of improvement, evaluating the reliability of Financial Statements, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorized use.

To maintain its objectivity and independence, the Internal Audit Function Reports to the Chairman of the Audit Committee of the Board. It also ensures proper accounting, records authorization, control of operations and compliance with law. The Company has a reporting system which evaluates and forewarns the management on issues related to compliance. Further the Company is continuously working to improve and strengthen internal check and control system to align with the expected growth in operations.

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

## **29. DEPOSITS**

There is no deposit(s) subsists in the Company, The Company neither accepted/invited nor remain unpaid or unclaimed any amount of deposit(s).

## **30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

### **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).

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

The particulars of every contract or 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 arm's length transactions under third proviso thereto in the prescribed Form No. AOC-2 is appended as Annexure-V to the Board's Report.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Listing Agreement.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at [www.mohindra.asia](http://www.mohindra.asia) under the Investor's section/Link.

Details of the transactions with Related Parties are provided in the accompanying financial statements. The company has complied with the applicable Accounting Standard on "Related Party Disclosures".

## **32. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention,

## **MOHINDRA FASTENERS LTD.**

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Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, notified on 9th December, 2013. The Policy aims to provide protection to Women employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Women employees feel secure.

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

The Company has not received any complaint of sexual harassment during the financial year 2014-15.

The Composition, functions and other detailed information is provided in the Corporate Governance's Section as annexed to this report.

### **33. DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Accordingly, 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, confirms that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for 31st March, 2015;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is appended as Annexure-VIII to the Board's Report.

### **35. HUMAN RESOURCES**

Mohindra Fasteners Limited (MFL), your Company treats its "human resources" as one of its most important asset. Human Resources are key to the success of MFL. Your Company continuously invests in retention and development of talent on a continuous basis. Your Company thrust is on the promotion of talent internally through Job rotation and job enlargement.

Your Company holds pride in its systems for providing a good quality of work-life to its employees. It encourages a culture of mutual respect and trust amongst peers, superiors and subordinates. We also maintain good harmonious industrial relations amongst the employees in our organization. The Company has also elaborated processes in place to prevent discrimination and harassment including sexual harassment. Whistle blower policy is also in place.

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

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

### **36. SAFETY, HEALTH AND ENVIRONMENT MEASURES**

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

Your Company firmly believes in the ethos of the above message and our safety and health standards are continuously improved, so we say that "Safety is a condition of Employment" and not a choice. We believe that a safety culture is core to taking safety to higher levels and our leadership continuously works towards establishing, sustaining and improving the safety culture. Alongside it is our endeavor to adopt best practices with national and international benchmarks to raise the bar on safety.

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

A Health, Safety & Environment Policy has been formulated and implemented through Management System. In recognition of this Mohindra Fasteners Limited has been awarded ISO 14001:2004 & 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 recycle, reduce waste, discharges and emissions. Company conserves natural resources by their responsible and efficient use in all the operations and plant trees.

### **37. CASH FLOW STATEMENT**

In compliance with the provision of Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2015 is annexed along with financial statements in this report. The Cash Flow Statement is prepared in accordance with the applicable Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountants of India, and the Cash Flow Statement is presented under the Indirect Method as given in AS-3.

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

The Board has constituted a Corporate Social Responsibility Committee headed by Mr. Deepak Arneja as Chairman, with Mr. Vinod Kumar and Mr. Ravinder Mohan Juneja as Members. The Company has adopted a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Act. As part of its CSR initiatives, the Company has utilized its contribution towards CSR in construction of Building of Medical College for promotion and facilitation of education.

The above project is in accordance with Schedule VII of the Act. The Company has spent 11,87,536 (Eleven Lacs Eighty Seven Thousand Five Hundred Thirty Six) towards the CSR projects during the Financial Year 2014-15.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years was Rs. 11,87,536/-, being 2% of the average net profits of the three immediately preceding financial years. There is no unspent amount

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities is appended as Annexure-IX to the Board's Report

### **39. EXTRACT OF ANNUAL RETURN**

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

### **40. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Auditors' Certificate on Corporate Governance regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement is appended as Annexure-VI to the Board's Report.

The Company is committed to build a long term shareholder value with full emphasis on corporate governance. In achieving this objective, the Company has always endeavored to operate as a responsible and law abiding, corporate entity. The corporate governance practices followed by your Company along with a compliance certificate from the Auditor, M/s GSK & Associates LLP, confirming compliance with all of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement have been given separately & form part of this Annual Report.

### **41. MANAGEMENT DISCUSSION AND ANALYSIS**

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, etc. The Management Discussion and Analysis Report is appended as Annexure-VII and forms part of this Annual Report for the year ended 31st March, 2015.

### **42. ACKNOWLEDGEMENT**

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

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

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

**For and on behalf of the Board**

**Place: New Delhi**  
**Dated: 31st July, 2015**

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

**Sd/-**  
**Ravinder Mohan Juneja**  
**DIN: 00006496**  
**(Managing Director)**



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance refers to a combination of regulations, procedures and voluntary good practices that enable an organization to perform efficiently and ethically, generate long term wealth and to create and maximize values for the organization as well as for its stakeholders by attracting financial and human capital. Good Corporate Governance contemplates that corporate actions, balance the interest of all shareholders and satisfy the test of accountability and transparency.

### 1. Our Corporate Governance Philosophy

Your Company firmly believes that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. It is essentially a system by which Companies are directed and controlled by the management in the best interest of all stakeholders.

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion. Your Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection.

We believe that it is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values. For us, corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. Our corporate governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity. This is vital to gain and retain the trust of our stakeholders.

The Securities and Exchange Board of India (SEBI) amended the Listing Agreement effective from October 1st, 2014 to bring additional corporate governance norms for listed entities. These norms provide for stricter disclosures and protection of investor rights, including equitable treatment for all shareholders.

The amended rules required companies to establish whistle blower mechanism, to have at least one woman director on the board. The amended norms are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to adopt best practices on corporate governance. Our corporate governance framework has helped us to align with the new guidelines of the Companies Act, 2013. We believe that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. At Mohindra Fasteners Limited ('The Company'), the Board of Directors ('The Board') is at the core of our corporate governance practice. The Board thus oversees the Company's Management function and protects the long-term interests of our stakeholders.

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

### **OUR CORPORATE GOVERNANCE PHILOSOPHY IS BASED ON THE FOLLOWING PRINCIPLES:**

- Corporate governance standards should satisfy both the spirit of the law and the letter of the law.
- Ensure transparency and maintain a level of disclosure.
- Clearly distinguish between personal conveniences and corporate resources.
- Communicate externally and truthfully about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The attainment of the highest level of accountability, commitment, value for stakeholders, customer's satisfaction and sustainable developments.

We firmly believe that board independence is essential to bring objectivity and transparency in the management and in the dealings of the Company. As on March 31, 2015, the Board consists of six directors out of which two members are independent directors. An independent director is nominated as the chairperson of each of the audit, nomination and remuneration, stakeholders' relationship committee.

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

Your Company has complied with the requirements of Corporate Governance stipulated in Clause 49 of the Listing Agreement executed with the Stock Exchange.

## **2. Board of Directors**

### **Composition**

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

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

As on 31st March, 2015, the Board consist of six directors, of which three are Executive Directors and three are non executive directors i.e half of the board, and among the non executive directors, two are Independent Directors including a Women Director, suffices with the requirement. The Board is primarily responsible for the 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 Directors.

The Non Executive and Independent Directors bring statutory and wider prospective in the board's deliberations and decisions.

All the Independent Directors of the Company at the time of their of first appointment or induction to the Board and thereafter at the first meeting of the board of the financial year, gives a declaration that they meet with the criteria of independence as provided under clause 49 of the Listing Agreement.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Clause 49 II (D) (2) of the Listing Agreement), across all the Companies in which he/ she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors holds office in more than 20 companies in which not more than 10 public companies.

### **Details of Board Meetings**

The Company held Four Board Meetings during 2014-15 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held is mentioned herein below:

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| S.No. | Date of Board Meeting | Board Strength | Total No. Directors Present |
|-------|-----------------------|----------------|-----------------------------|
| 1     | 30.04.2014            | Five           | Five                        |
| 2     | 30.07.2014            | Six            | Six                         |
| 3     | 30.10.2014            | Six            | Four                        |
| 4     | 30.01.2015            | Six            | Six                         |

Further, it is to be mentioned that two Board Meetings by circulation were held on 13th June, 2014 and 12th July, 2014 and then further placed and adopted at the Board Meeting held on 30th July, 2014.

### Category and Attendance of Directors

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the Last Annual General Meeting, as also the number of Directorships and committee positions held by them in Companies are given below:

| S. No. | Name of Director          | Category                                  | Date of Appointment | No. of Other Directorships* (As on 31.03.2015) |        |       | Total No. of committee positions in Mandatory Committees** (As on 31.03.2015) |        |       |
|--------|---------------------------|---|---------------------|--|--------|-------|---|--------|-------|
|        |                           |   |                     | Chairman                                       | Member | Total | Chairman  | Member | Total |
| 1.     | Mr. Ravinder Mohan Juneja | Promoter, Executive & Managing Director   | 10.01.1995          | -  | -      | -     | -   | 2      | 2     |
| 2.     | Mr. Deepak Arneja         | Promoter, Executive & Managing Director   | 10.01.1995          | -  | -      | -     | 1   | 2      | 3     |
| 3      | Mr. Sudhir Arneja         | Promoter, Executive & Whole Time Director | 25.07.2009          | -  | -      | -     | -   | -      | -     |
| 4.     | Mr. J P Singh Narang      | Non-Executive Director                    | 04.08.1995          | -  | 5      | 5     | -   | 1      | 1***  |
| 5.     | Mr. Vinod Kumar           | Independent & Non-Executive Director      | 21.12.2013          | -  | 3      | 3     | 2   | 1      | 3     |
| 6.     | Anjali Malik              | Independent & Non-Executive Director      | 30.04.2014          | -  | -      | -     | -   | 1      | 1**** |

\* Excludes Directorship in Mohindra Fasteners Limited, Associations, Foreign Companies, Government Bodies and Companies registered under Section 8 of the Companies Act, 2013.

\*\*Only Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of Indian Public Companies including Mohindra Fasteners Limited, have been considered for committee positions.

\*\*\*As on 30th January, 2015, resigned from membership of a committee due to his preoccupation.

\*\*\*\*As on 30th January, 2015, appointed as a member in a committee.

| Name of Director          | Attendance at the Board Meetings held on |            |            |            | Attendance at AGM held on 25th September, 2014 |
|---------------------------|--|------------|------------|------------|--|
|                           | 30.04.2014                               | 30.07.2014 | 30.10.2014 | 30.01.2015 |  |
| Mr. Ravinder Mohan Juneja | Yes                                      | Yes        | Yes        | Yes        | Yes  |
| Mr. Deepak Arneja         | Yes                                      | Yes        | Yes        | Yes        | Yes  |
| Mr. Sudhir Arneja         | Yes                                      | Yes        | No         | Yes        | Yes  |
| Mr. J P Singh Narang      | Yes                                      | Yes        | No         | Yes        | No   |
| Mr. Vinod Kumar           | Yes                                      | Yes        | Yes        | Yes        | Yes  |
| Mrs. Anjali Malik         | -  | Yes        | Yes        | Yes        | No   |

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

### **Board Procedure**

The agenda is to be drafted for each meeting and to be distributed/sent to the Board members with in stipulated time and also distribute explanatory notes and comprehensive background information on the items in the agenda in advance to enable the Board to arrive at appropriate decisions. The information as required under Annexure X to Clause 49 is made available to the Board. The Board also reviews the declarations made by the Managing Director and Chief Financial Officer regarding compliance with all applicable laws, on a quarterly basis.

### **Responsibilities of the Chief Executive Officer and Managing Director(s)**

Our Company has two Managing Director (MD)- Mr. Deepak Arneja and Mr. Ravinder Mohan Juneja and a Whole Time Director- Mr. Sudhir Arneja.

The responsibility and authority of these officials are as follows:

- Managing Director will be responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long term benefit of the Company and its Stakeholders. The Managing Director is primarily responsible for ensuring that the Board provides effective governance for the Company, in doing so, the Managing Director will preside at meetings of the Board and at meetings of the shareholders of the Company.

The MDs will take a lead role in managing the Board and facilitating effective communication among directors. The MDs will be responsible for matters pertaining to governance including the organization and composition of the board and conduct of Board meetings, effectiveness of the Board, assist Board committees and individual directors in fulfilling the responsibilities. The MDs will provide independent leadership to the Board, identify guidelines for the conduct and performance of directors, oversee tire management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

The MDs will actively work with the nomination and remuneration committee to plan the Board and Board committees' composition, participate in the Board effectiveness evaluation process.

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The MD is responsible for corporate strategy, Brand Equity, planning, external contacts and all managing matters.

### **Board membership criteria**

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

### **Selection of new directors**

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

### **Membership term**

The Board constantly evaluates the contribution of the members and accordingly share updates with the shareholders about re-appointments consistent with applicable statutes. The current law in India mandates the retirement of two-third of the total strength of Board of directors excluding Independent Directors, who are liable to retire by rotation and among them one-third are mandatory to actually retire every year and then qualifies the retiring members for re-appointment. Executive directors are appointed by the shareholders for the tenure of maximum period of five years, but are eligible for re-appointment upon completion of their term, subject to the maximum term permitted in Companies Act, 2013 and the Listing Agreement. An independent director shall hold office for a term up to five consecutive years on the Board of Company and will be eligible for re-appointment on passing of special resolution by the Company subject to the applicable laws.

### **Board and Director Evaluation and criteria for evaluation**

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

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

Board dynamics and relationship, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy and the effectiveness of the whole board and its various committees.

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

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

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

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

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

### **Code of Conduct**

The Company has adopted the Code of Conduct for all Board members and senior management of the Company which also incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code of Conduct is posted on Company's website.

All Board members and senior management personnel (as per Clause 49 of the Listing Agreement) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect signed by Managing Director & CEO forms part of this Report and annexed as Annexure-XI.

None of the Independent Director has any other material pecuniary relationship or transaction with the Company, its promoters, its directors, its senior management. None of the Directors are inter-se related to each other except Mr. Deepak Arneja and Mr. Sudhir Arneja are real brothers.

The Directors and senior management of the Company have made disclosures to the Board confirming that there are no material financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large. The Code of conduct is available on the website of the Company.

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

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 30th January, 2015 as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Clause 49 of the Listing Agreement. At the Meeting, the Independent Directors:

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- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Managing Directors of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Vinod Kumar and Mrs. Anjali Malik attended the Meeting of Independent Directors. Mr. Vinod Kumar chaired the Meeting.

### **Board Committees**

Currently, the Board has four Committees, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee, Audit Committee.

The Board in consultation with the nomination and remuneration committee is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. It delegates these powers to the nomination and remuneration committee.

It determines the Chairman of the Committees, determines the frequency and duration of the Committee Meetings. Recommendations of Committee are submitted to entire Board for approval.

### **AUDIT COMMITTEE**

#### **Terms of reference**

The Audit Committee functions accordingly as prescribed in Clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Power) Rules, 2014 and other applicable provisions, if any, that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, are as follows:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments, if any.
- Discuss any significant findings with internal auditors and follow-up thereon, if any.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to stakeholders, shareholders and creditors, if any.

- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters, if any.
- Review the functioning of the Whistle Blower mechanism/Vigil Mechanism.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.
- And, generally, all items listed in Clause 49 III (D) of the Listing Agreement and in Section 177 of the Companies Act, 2013 and other applicable provisions, laws, rules and regulations, if any.

### Composition

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the provisions of Section 177 of the Companies Act, 2013. All members of the Committee are financially literate, with Mr. Deepak Arneja, Member, of the Committee, having the relevant accounting and financial management expertise.

The audit committee has three directors as members among whom two-thirds members of audit committee are independent directors. Presently, the Audit Committee of the Company comprises of two Non-Executive & Independent Directors and one Executive Director. The Chairman of the Committee is a Non - Executive & Independent Director. The CFO of the Company is a Permanent Invitee to the Audit Committee and the Company Secretary is the Secretary to the Committee. The members of Audit Committee as on financial year ended 31st March, 2015 were:

1. Mr. Vinod Kumar
2. Mr. Deepak Arneja
3. Mrs. Anjali Malik

### Meetings and Attendance

The Audit Committee met 4 times during the year and the gap between two meetings did not exceed four months. During the financial year, the dates on which the Audit Committee Meetings were held on 30th April, 2014, 30th July, 2014, 30th October, 2014 and 30th January, 2015.

Necessary quorum was present at the above Meetings. During the year, the Audit Committee reviewed key audit findings covering operational, financial and compliance areas. The Chairman of the Committee briefs the Board members about the significant discussions at Audit Committee Meetings. The Composition and attendance during the financial year 2014 - 2015:

| S. No. | Name of the Member    | Position | Category                           | No. of Meetings attended |
|--------|-----------------------|----------|------------------------------------|--------------------------|
| 1      | Mr. Vinod Kumar       | Chairman | Non Executive Independent Director | 4                        |
| 2      | Mr. Deepak Arneja     | Member   | Managing Director                  | 4                        |
| 3      | Mr. J P Singh Narang* | Member   | Non Executive Director             | 3                        |
| 4      | Mrs. Anjali Malik**   | Member   | Non Executive Independent Director | 1                        |



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\* Resigned due to pre occupancy w.e.f 30th January, 2015.

\*\*Appointed w.e.f 30th January, 2015.

### **Scope and Power**

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

- Efficiency & effectiveness of operations.
- Safeguarding of assets & adequacy of provisions for all liabilities.
- Correctness & credibility of all financial & other management information.
- Compliance with all relevant statutes.
- The Audit Committee review all the information, listed in Clause 49 III (E) of the Listing Agreement and other applicable provisions, laws, rules and regulations, if any

### **The powers of the Audit Committee include the following:**

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

The Chairman of the Audit Committee, Mr. Vinod Kumar was present at the Annual General Meeting of the Company held on 25th September, 2014.

## **NOMINATION AND REMUNERATION COMMITTEE**

### **Terms of reference**

The terms of reference of the Nomination and Remuneration Committee are as follows:

- Make recommendations regarding the composition of the Board, identify independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and help to carry out evaluation of every Director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Devise a policy on Board Diversity.
- Provide guidance and direction in developing and implementing the reward philosophy of the Company, if any.
- Evaluate and approve the appointment and remuneration of senior executives, including the key managerial personnel, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits.
- Review progress on the Company leadership development programmes, including for promotion to the Board, employee engagement initiatives and employee surveys.
- Consider and approve matters relating to normal retirement plans, Voluntary Retirement and Early Separation Schemes for employees of the Company, if any.

- Measure the performance of the Managing Director, key managerial personnel and the executive team including the use of financial, non-financial and qualitative measures.
- Evaluate executive team performance regularly to strengthen the cumulative annual assessment and to provide timely feed-back to the assessed individuals.
- Developing a view on the human resources capability in the business by periodically engaging with levels below the executive team.
- Review and recommend to the Board the remuneration and commission to the managing and Executive Directors.

### Composition

The Nomination and Remuneration Committee comprises of three directors, all of whom are Non-Executive Directors and majority of them are Independent Directors. Chairman of the committee is a Non Executive and Independent director. The members of Committee as on financial year ended 31st March, 2015 were:

- Mr. Vinod Kumar
- Mr. J P Singh Narang
- Mrs. Anjali Malik

### Meetings and Attendance

The Nomination and Remuneration Committee met 4 times during the year. During the financial year, the dates on which the Committee Meetings were held on 30th April, 2014, 18th June, 2014, 16th July, 2014, 30th January, 2015.

Necessary quorum was present at the above Meetings. The Composition and attendance during the financial year 2014 - 2015 are given below:

| Name of the Member         | Position | Category                           | No. of Meetings attended             |
|----------------------------|----------|------------------------------------|--------------------------------------|
| Mr. Vinod Kumar            | Chairman | Non-Executive Independent Director | 4(Including Both Committees)***      |
| Mrs. Anjali Malik          | Member   | Non-Executive Independent Director | 4(Including Both Committees)***      |
| Mr. J P Singh Narang       | Member   | Non-Executive Director             | 4(Including Both Committees)***      |
| Mr. Deepak Arneja*         | Member   | Managing Director                  | 3 (Excluding Nomination Committee)   |
| Mr. Ravinder Mohan Juneja* | Member   | Managing Director                  | 3 (Excluding Remuneration Committee) |

The Company has merged its two individual Committees i.e Nomination Committee and Remuneration Committee into a single Committee and named as Nomination and Remuneration Committee.

\*\*\*It is to be noted that four meetings were attended by Mr. Vinod Kumar, Mrs. Anjali Malik and Mr. J P Singh Narang includes a meeting held on 30th January, 2015 to reconstitute the composition of Nomination and Remuneration Committee.

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It is to be noted that earlier the composition of Nomination Committee and Remuneration Committee is same except Mr. Ravinder Mohan Juneja was in only Nomination Committee and Mr. Deepak Arneja was in only Remuneration Committee thereby individually they have attended three meetings of respective individual committees.

Therefore, the Company had to change the composition of the Committee and in this regard following changes have been made:

\*Mr. Deepak Arneja and Mr. Ravinder Mohan Juneja have been resigned from the above said Committee due to their preoccupation.

The Chairman of the Nomination and Remuneration Committee, Mr. Vinod Kumar was present at the Annual General Meeting of the Company held on 25th September, 2014.

### **NOMINATION AND REMUNERATION POLICY**

Our Policy on the appointment and remuneration of directors and Key Managerial Personnel, Senior Management provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to section 178(4) of the Companies Act, 2013 and Clause 49(IV)(B)(4) of the Listing Agreement.

### **INTRODUCTION**

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

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

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

### **Governance Guidelines:**

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

### **Procedure for Nomination and Appointment of Directors:**

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

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

### **Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:**

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications,

positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Clause 49 of the Listing Agreement.

**Independence of Independent Directors:**

In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independent Director' as laid down in the Act and Clause 49 of the Listing Agreement.

**Qualifications:**

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

**Positive Attributes:**

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

**POLICY:**

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

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

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

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

**The key principles governing the Company's Remuneration Policy are as follows:**

**Remuneration for Independent Directors and Non-Independent Non-Executive Directors.**

As of now, the Company is not paying any fee, commission or any other amount in any form to any of its Independent Directors and Non-Independent Non-Executive Directors. Therefore they were not paid sitting fees for any meeting of the Board and for any other committee meeting attended by them based on their attendance at the Board and the committee meetings. No other fees/ commission were paid during the year. No significant material transactions have been made with Non-Executive Directors vis-à-vis your Company. But in future if Company will pay any amount that will be paid in accordance with the Companies Act, 2013 and Listing Agreement.

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

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company provides retirement benefits as applicable.
- The Company provides MD/ EDs such remuneration with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Committee and approved by the Board.
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

#### **DETAILS OF REMUNERATION FOR 2014-15**

- The aggregate value of salary, perquisites and commission paid to Mr. Deepak Arneja, Managing Director & CEO, during the year 2014-15 is 2114400/- comprising:

|                            |  |
|----------------------------|--|
| Salary                     | 20,99,400  |
| Perquisites and allowances | 15,000   |
| Commission                 | NIL  |
| Period of Agreement        | Upto 30th June, 2020   |
| Notice period              | The Agreement may be terminated by either party, giving the other party two months' notice or the Company paying two months' remuneration in lieu thereof. |
| Severance fees             | NIL  |
| Stock Options              | NIL  |

- The aggregate value of salary, perquisites and commission paid to Mr. Ravindar Mohan Juneja, Managing Director, during the year 2014-15 is 2198400/- comprising:

|                            |  |
|----------------------------|--|
| Salary                     | 21,83,400  |
| Perquisites and allowances | 15,000   |
| Commission                 | NIL  |
| Period of Agreement        | Upto 31st December, 2017   |
| Notice period              | The Agreement may be terminated by either party, giving the other party two months' notice or the Company paying two months' remuneration in lieu thereof. |
| Severance fees             | NIL  |
| Stock Options              | NIL  |

- The aggregate value of salary, perquisites and commission paid to Mr. Sudhir Arneja, Whole Time Director, during the year 2014-15 is 1449600/- comprising:

|                            |  |
|----------------------------|--|
| Salary                     | 14,34,600  |
| Perquisites and allowances | 15,000   |
| Commission                 | NIL  |
| Period of Agreement        | Upto 30th September, 2019  |
| Notice period              | The Agreement may be terminated by either party, giving the other party two months' notice or the Company paying two months' remuneration in lieu thereof. |
| Severance fees             | NIL  |
| Stock Options              | NIL  |

**The Company is not paying any sitting fees to any of director on the Board of Company.**

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

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

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

##### **Terms of reference**

In terms of Section 178 (5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Shareholders'/ Investors' Grievance Committee was renamed as Stakeholders Relationship Committee.

Following are the terms of reference of the Stakeholders Relationship Committee:

- Consider and resolve the grievances of the security holders of the Company.
- Approval of requests received for transfer/transmission of shares including dematerialization/rematerialization of securities.
- Approval of requests received for issue of duplicate certificates.
- Rejection of requests for share transfers, wherever applicable.
- 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 Trading and to review the concerns received under the MFL Code of Conduct.

##### **Composition**

The Stakeholders Relationship Committee consists of three directors including a chairperson, Mr. Vinod Kumar who is a Non Executive Director and heading the Committee. The members of Committee as on financial year ended 31st March, 2015 were:

- Vinod Kumar
- Ravinder Mohan Juneja
- Deepak Arneja

## MOHINDRA FASTENERS LTD.

### Meeting and Attendance

The Stakeholders Relationship Committee met 36 times during the year. During the financial year, the dates on which the Committee Meetings were held on 11th April, 2014, 21st April, 2014, 30th April, 2014, 10th May, 2014, 20th May, 2014, 31st May, 2014, 10th June, 2014, 20th June, 2014, 30th June, 2014, 11th July, 2014, 21st July, 2014, 31st July, 2014, 11th August, 2014, 22nd August, 2014, 30th August, 2014, 11th September, 2014, 18th September, 2014, 30th September, 2014, 10th October, 2014, 20th October, 2014, 31st October, 2014, 10th November, 2014, 20th November, 2014, 29th November, 2014, 10th December, 2014, 20th December, 2014, 31st December, 2014, 10th January, 2015, 20th January, 2015, 30th January, 2015, 11th February, 2015, 20th February, 2015, 28th February, 2015, 11th March, 2015, 21st March, 2015 and 31st March, 2015.

Necessary quorum was present at the above Meetings. The Composition and attendance during the financial year 2014 - 2015 are given below:

| Name of the Director  | Position | Category                           | No. of Meetings Attended |
|-----------------------|----------|------------------------------------|--------------------------|
| Vinod Kumar           | Chairman | Non-Executive Independent Director | 36                       |
| Ravinder Mohan Juneja | Member   | Managing Director                  | 36                       |
| Deepak Arneja         | Member   | Managing Director                  | 36                       |

During the year whatever be the grievance or queries received, were resolved to the satisfaction of Shareholders and no complaints were pending except there is a promoter who is a habitual litigant and having personal ego clashes with the company and its other promoters, directors and associates and he filed a complaint against the company with 'The Registrar of companies, NCT of Delhi and Haryana' (ROC), in which he raised various points of which company had filed a reply and the matter has resolved with majority of raised points.

Earlier Ms. Madhu Kaushik, Company Secretary was appointed as Compliance Officer but with effect from 11th May, 2015, Ms. Asha Mittal, Company Secretary has been appointed as the Compliance Officer. Shareholders may also correspond with the Company for any grievance on the email address: cs@mohindra.asia.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### Terms of reference

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee has been constituted with the following terms of reference:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company's CSR Policy periodically.
- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the year 2014-15 forms a part of the Directors' Report.

#### Composition of the Committee

The Corporate Social Responsibility Committee consists of three directors among whom one is an Independent Director and the Committee is chaired with an Executive Director. The Composition as on 31st March, 2015 was as follows:

- a) Deepak Arneja
- b) Ravinder Mohan Juneja
- c) Vinod Kumar

### Meeting and Attendance

The Corporate Social Responsibility Committee met two times during the year. During the financial year, the dates on which the Committee Meetings were held on 17th May, 2014 and 29th January, 2015.

| Name of the Director  | Position | Category                           | No. of Meetings Attended |
|-----------------------|----------|------------------------------------|--------------------------|
| Deepak Arneja         | Chairman | Executive Director                 | 2                        |
| Ravinder Mohan Juneja | Member   | Executive Director                 | 2                        |
| Vinod Kumar           | Member   | Non-Executive Independent Director | 2                        |

### PREVENTION OF SEXUAL HARASSMENT (POSH) COMMITTEE

The Company has 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.

#### Composition

The members of the Prevention of Sexual Harassment (Posh) Committee are nominated by the Company and consist of a Presiding Officer and two members, including a member from non-governmental organization. In order to ensure participation of women employees in the Committee's proceedings, the one-half of the members are women. Presently the Composition is as follows:

1. Asha Mittal (Company Secretary, Chairman (Presiding Officer)\*)
2. Dimpy Makar (Export Executive, Member)
3. Feroz Abbasi (NGO, Member)\*

### Meeting and Attendance

The Prevention of Sexual Harassment (Posh) Committee met once during the year. During the financial year, the Committee Meeting was held on 30th January, 2015 and composition as at 31.03.2015 was as follows:-

| Name of the Director | Position | Category                   | No. of Meetings Attended |
|----------------------|----------|----------------------------|--------------------------|
| Madhu Kaushik*       | Chairman | Company Secretary          | 1                        |
| Dimpy Makar          | Member   | Export Executive           | 1                        |
| R.P Chaturvedi*      | Member   | Deputy Manager (Materials) | 1                        |

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.

\*Further, the Composition of Committee has reconstituted and Ms. Asha Mittal and Mr. Feroz Abbasi are appointed in place of Ms. Madhu Kaushik and Mr. R.P Chaturvedi respectively as on 31st July, 2015.

Till then Company has not received any complaint of harassment.

### GENERAL BODY MEETINGS

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



## MOHINDRA FASTENERS LTD.

| AGM  | YEAR    | VENUE  | DATE/DAY                 | TIME      | SPECIAL RESOLUTIONS  |
|------|---------|--|--------------------------|-----------|--|
| 20th | 2013-14 | Bansal Fam House,<br>Hiranki Road, Bakhtawarpur,<br>Delhi - 110036 | 25.09.2014<br>(Thursday) | 11.30 A.M | i)Appointment of Relative of a<br>director to an Office of Profit.<br><br>Increase in Borrowing Power in<br>terms of Section 180(1)(c) of<br>the Companies Act, 2013 |
| 19th | 2012-13 | Bansal Fam House,<br>Hiranki Road, Bakhtawarpur,<br>Delhi - 110036 | 30.09.2013<br>(Monday)   | 11.30A.M  | None   |
| 18th | 2011-12 | Red Rose Farm House,<br>Budhpur, New Delhi - 110036                | 22.09.2012<br>(Saturday) | 11.30A.M  | None   |

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

No Extra-ordinary General Meeting of the shareholders was held during the year 2014-15.

### Special Resolution through Postal Ballot

During the year 2014-15, no resolution was put through by Postal Ballot.

### DISCLOSURES

#### (a) Disclosure on materially significant related party transactions, pecuniary or business relationship with the Company:

There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large during the year 2014-15. However, a detailed disclosure on Related Party Transactions has been made at Sr. No. 28 in the Notes to Accounts forming part of Balance Sheet.

During the year, there were no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, the Directors or the management or relatives, etc. that may have potential conflict with the interests of the Company at large.

#### (b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority on any matters related to Capital Market:

The Company has complied with the requirements of the Stock Exchanges/ SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.

#### (c) Whistle Blower Policy:

The Company has formulated a policy known as 'Whistle Blower Policy' enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices and to allow and encourage to bring to the Management's Notice (Audit Committee) directly, without necessarily informing their superiors about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's policies including code of conduct, violation of law or questionable accounting or auditing matters by any employee/director in the Company without fear of reprisal.

The Company further undertakes that it has not denied any personnel access to the Audit Committee of the Company in respect of matters involving alleged misconduct/malpractice/unethical behaviour and that it has

provided protection to 'Whistle Blowers' from unfair termination and other unfair or prejudicial employment practices. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee.

**(d) Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of Clause 49:**

The Company has complied with the mandatory requirements and is in process of adopting non-mandatory requirements of Clause 49, wherever feasible. However, the Company has adopted few non-mandatory requirements and status of compliance with the same is as under:

- The Internal Auditor reports to the Audit Committee.

**(e) Accounting Treatment and Compliance with Accounting Standards**

In the preparation of the financial statements, the Company follows accounting standards issued by the Institute of Chartered Accountants of India and the Company has not adopted a treatment different from the prescribed in any accounting standard and has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 and other applicable laws read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**(f) CEO & MD / CFO Certification**

The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Clause 49 (IX) of the Listing Agreement pertaining to CEO/ CFO certification 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, 2015. The said certificate was enclosed with the Annual report and annexed as Annexure-X

**(g) Prevention of Insider Trading**

The board has laid down Code of Conduct for insider trading in Compliance with SEBI (Prohibition of insider trading /regulations 1992). All the directors and Senior Management Personnel who are expected to have access to unpublished Price Sensitive information Concerning the Company is responsible for adherence to this code. The Company is being adhered to in letter and in spirit. The Code has posted on the Company website ie. [www.mohindra.asia](http://www.mohindra.asia) .The Compliance Officer is responsible for implementation of the Code.

**MEANS OF COMMUNICATION**

i) The quarterly, half yearly and the annually results, published in the performa prescribed by the Listing Agreement, are approved and taken on record by the Board of Directors of the Company within the prescribed time limit from the close of the relevant quarter. The approved results are forthwith sent to the Stock Exchange where the Company's shares are listed. The results are also published within 48 hours in "Financial Express" or "Business Standard" (English Newspaper All India Edition) and "Jansatta" or "Business Standard" (Hindi Newspaper Local Edition). The results are displayed on the Company's website at [www.mohindra.asia](http://www.mohindra.asia) under the Investors' Section/Link.

ii) 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 etc.

iii) Information about unclaimed dividends is also available in this Investor section at website.

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iv) The Company sends an annual reminder to shareholders who have not claimed their dividends and also urging them to opt for ECS as the mode for receiving dividends.

v) Management Discussion and Analysis Report forms a part of the Annual Report.

### GENERAL SHAREHOLDERS INFORMATION

The Company is registered with the Registrar of Companies, NCT Delhi & Haryana. 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       | : | 30th September, 2015 (Wednesday)   |
| Venue              | : | Apsara Grand Banquet Halls<br>A-1/20 B, Paschim Vihar, Rohtak Road, Near Paschim Vihar Metro Station, Pillar No. 255, New Delhi-110063 |
| Time               | : | 11.30 A. M.  |
| Book Closure Dates | : | 24.09.2015 to 30.09.2015 (both days inclusive)   |

The Register of Members and Transfers remain closed from Thursday, 24.09.2015 to Wednesday, 30.09.2015 (both days inclusive)

The above Annual General Meeting is Twenty First Annual General Meeting for Financial Year 2014-15 (April to March).

As required under Clause 49 VIII (E) (1) of the Listing Agreement, particulars of the Director seeking re-appointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 30th September, 2015.

### (b) Financial Calendar 2015-16 (April to March)

The Company expects to announce the Unaudited Quarterly Results for the year 2015-16, as per the following schedule:

|   |                          |
|---|--------------------------|
| Financial Reporting for the Quarter ending June 30th, 2015                            | Upto 14th August, 2015   |
| Quarterly Limited Review Report for the Quarter ended on June 30th, 2015              | Upto 14th August, 2015   |
| Financial Reporting for the Quarter ending September 30th, 2015 and Half-year results | Upto 14th November, 2015 |
| Quarterly Limited Review Report for the Quarter ended on September 30th, 2015         | Upto 14th November, 2015 |
| Financial Reporting for the Quarter ending December 31st, 2015                        | Upto 13th February, 2016 |
| Quarterly Limited Review Report for the Quarter ended on December 31st, 2015          | Upto 13th February, 2016 |

The Audited Financial Results of the Company for the year 2015-2016 will be announced on or before 30th May, 2016 which will include the results of the fourth quarter of the year 2015-2016.

(c) **Financial Year** : April to March

(d) **Dividend payment date**: on or before 05th October, 2015

**(e) Listing on Stock Exchanges:**

The Equity shares of the Company is listed on Delhi Stock Exchange Limited, but vide its notice dated 18th May, 2015 subject to the SEBI vide circular dated May 30, 2012 (Exit Circular) issued guidelines regarding compulsory exit of De-recognized/Non-operational stock exchanges and other applicable circular(s), if any, sent on dissemination board of Bombay Stock Exchange Limited. Therefore, the Company is not liable to pay its Annual Listing Fees to the Delhi Stock Exchange Limited (DSE) for the year 2015-2016 as directed by DSE itself.

**(f) Other Information:**

- The Company's Equity Shares are listed on the following Stock Exchange:

Delhi Stock Exchange Limited  
DSE House 3/1 Asaf Ali Road, New Delhi 110002 (India)

- The Company has paid the listing fees to the Stock Exchange for the year 2014-15.
- Scrip Code/Stock Code on DSE Limited: 013313.
- Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares : INE705H01011

**(g) Market Information:**

No shares of the Company were reported to be traded on the Stock Exchange during the financial year 2014 - 2015. The Scrips/Stock or Equity Shares are not traded as the Company is listed on Delhi Stock Exchange Limited (DSE), on which generally the scrips are not to be traded as the trading on DSE is closed temporarily for all those Companies, who all are listed on DSE due to Exit Circular for DSE by SEBI. Therefore, the Company is not able to provide Market Price Data.

**(h) Registrar and Share Transfer Agent**

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

**Address for Correspondence:**

M/s. Skyline Financial Services (P) Ltd.  
D, 153A, 1st Floor, Okhla Industrial Area, Phase - I,  
New Delhi - 110020  
E-mail: admin@skylinerta.com  
Ph: +91-11-26812682-83, +91-1164732681-88  
Fax: 011-30857562

**(i) Share Transfer System**

The Company's shares being in compulsory demat list are transferable through the depository system only. In the case of dematerialized shares it is processed by the respective Client's Depository Participant as maintained account with depository of National Securities Depository Limited (NSDL) or Central Depository Services Limited (CDSL). Shares in physical form are process by M/s. Skyline Financial Services (P) Ltd., Registrar and Share Transfers Agent (RTA) of the Company.

The Company's Stakeholders' Relationship Committee generally meets three times in a month for approving share transfers. The Share Certificates are returned to the transferee within a prescribed time at the earliest possible (generally 10 days), provided the documents lodged with the Company are clear and complete in all respects. There are no pending transfers as on 31st March, 2015.

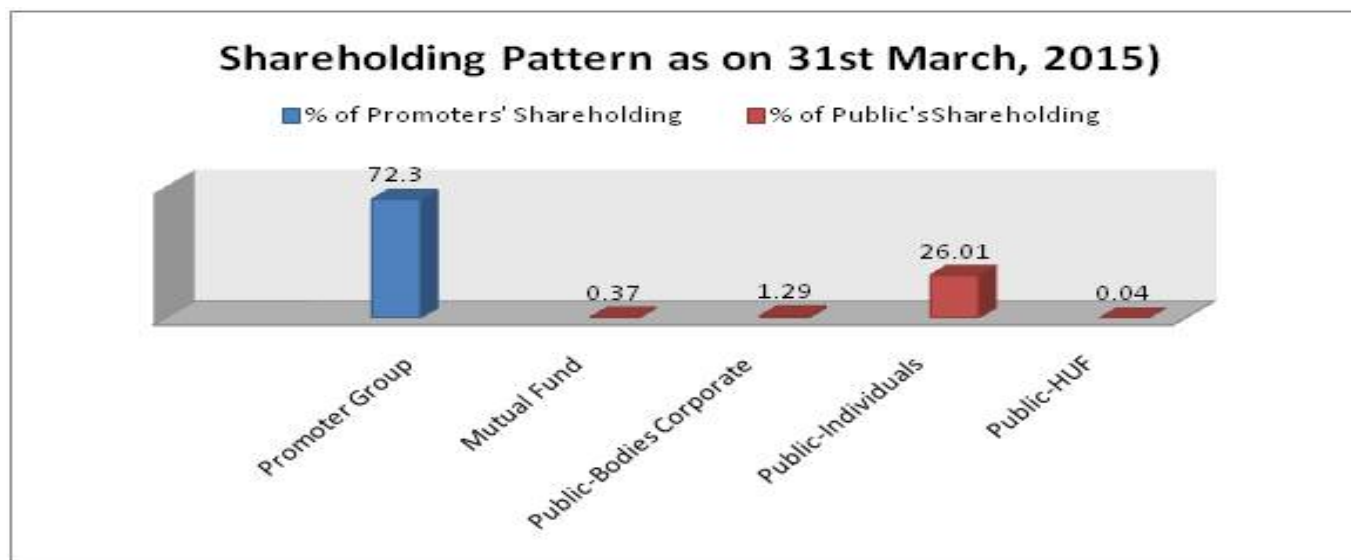
## MOHINDRA FASTENERS LTD.

### (j) Distribution of Shareholding as on 31.03.2015

| Range of Share holding | No. of Shareholders | Percentage of Shareholders | Total No. of Shares Held | Total percentage of Shareholding |
|------------------------|---------------------|----------------------------|--------------------------|----------------------------------|
| Up to 500              | 143                 | 33.41                      | 62100                    | 1.16                             |
| 501 - 1000             | 145                 | 33.88                      | 141500                   | 2.64                             |
| 1001 - 2000            | 47                  | 10.98                      | 91600                    | 1.71                             |
| 2001 - 3000            | 31                  | 7.24                       | 80200                    | 1.50                             |
| 3001 - 4000            | 5                   | 1.17                       | 17700                    | 0.33                             |
| 4001 - 5000            | 12                  | 2.80                       | 59500                    | 1.11                             |
| 5001 - 10000           | 10                  | 2.34                       | 87750                    | 1.64                             |
| 10001 & above          | 35                  | 8.18                       | 4816450                  | 89.91                            |
| <b>Total</b>           | <b>428</b>          | <b>100.00</b>              | <b>5356800</b>           | <b>100.00</b>                    |

### (k) Shareholding Pattern of the Company as on 31.03.2015

| Category           |  | Nos. of Sharehold | Percentage of Holding |
|--------------------|--|-------------------|-----------------------|
| <b>A</b>           | <b>Promoter and Promoter Group</b>                   |                   |                       |
|                    | 1. Indian Promoter                                   | 38,72,700         | 72.30                 |
|                    | 2. Foreign Promoters                                 | -                 | -                     |
|                    | <b>Sub Total</b>                                     | <b>38,72,700</b>  | <b>72.30</b>          |
| <b>B</b>           | <b>Public Shareholding</b>                           |                   |                       |
|                    | <b>1. Institutional Investors</b>                    |                   |                       |
|                    | - Mutual Funds & UTI                                 | 19600             | 0.37                  |
|                    | - Banks, Financial Institutions, Insurance Companies | -                 | -                     |
|                    | - Central Government/State Government(s)             | -                 | -                     |
|                    | - Foreign Institutional Investors                    | -                 | -                     |
|                    | - Others   | -                 | -                     |
|                    | <b>2. Non-Institutional Investors</b>                |                   |                       |
|                    | - Bodies Corporate                                   | 69,000            | 1.29                  |
|                    | - Individuals  | 13,93,500         | 26.01                 |
| - NRIs             | -  | -                 |                       |
| - Clearing members | -  | -                 |                       |
| - HUF              | 2000   | 0.04              |                       |
|                    | <b>Grand Total</b>                                   | <b>53,56,800</b>  | <b>100.00</b>         |



### (I) Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE705H01011. Dematerialization Status of Company as on March 31, 2015 is as under:

The break-up of equity shares held in Physical and Dematerialized form as on March 31, 2015, is given below:

| Particulars             | No. of Shares  | Percentage     |
|-------------------------|----------------|----------------|
| <b>Physical Segment</b> | 717000         | 13.38%         |
| <b>Demat Segment:</b>   |                |                |
| NSDL                    | 2955150        | 55.17%         |
| CDSL                    | 1684650        | 31.45%         |
| <b>Total</b>            | <b>5356800</b> | <b>100.00%</b> |

The Scrips/Stock or Equity Shares are not traded as the Company is listed on Delhi Stock Exchange Limited (DSE), on which generally the scrips are not to be traded as the trading on DSE is closed temporarily for all those Companies, who all are listed on DSE due to Exit Circular for DSE by SEBI. Therefore, no shares of the Company were reported to be traded on the Stock Exchange during the financial year 2014 - 2015

Annual Custody Fees for the year 2014 - 2015 and 2015-16 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) Nomination of Shares

As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the members in respect of the shares held by them, may at any time, nominate, in the prescribed manner, a person to whom their shares shall vest in the event of death. Members holding shares in single name and who have not

## **MOHINDRA FASTENERS LTD.**

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yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Both Forms are available at the website of the Company. Members holding shares in physical form are requested to submit the forms to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

### **(o) Permanent Account Number (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferees, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates etc.

### **(p) Reconciliation of Share Capital Audit**

As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital has been carried out by M/s Anand Nimesh & Associates with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Secretarial Auditor Certificate in regard to the same has been submitted to the Stock Exchange where company is listed.

### **(q) Plant Locations**

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

#### **Plant - I**

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

#### **Plant - II**

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

#### **New Plant-III**

Yet to be set up

### **(r) Name and Designation of Compliance Officer:**

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

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

### **(s) Address for Correspondence**

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

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

**ANNEXURE-I TO THE BOARDS' REPORT**
**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31.03.2015**
**Pursuant to Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Company (Management & Administration) Rules, 2014.**
**I. REGISTRATION & OTHER DETAILS:**

|    |  |   |
|----|--|---|
| 1. | CIN  | L74899DL1995PLC064215   |
| 2. | Registration Date  | 10th January, 1995  |
| 3. | Name of the Company  | MOHINDRA FASTENERS LIMITED  |
| 4. | Category/Sub-category of the Company                                       | Public (Listed) Company, Company Limited by Shares, Indian Non Government Company   |
| 5. | Address of the Registered office & Contact Details                         | 304 Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, New Delhi, Delhi-110087.<br>Tel. No.: +91-11-46200400, 25272093<br>Fax No.: +91-11- 25282667<br>E-mail: cs@mohindra.asia Website: www.mohindra.asia |
| 6. | Whether listed company   | Yes, Listed Company   |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Skyline Financial Services Private Limited,<br>D-153 / A, 1st Floor, Okhla Industrial, Area, Phase-1, New Delhi-110020<br>Tel. No.: +91-11-64732681-88, 26812682-83<br>E-mail: admin@skylinerta.com     |

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

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

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

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

| S. No.  | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY / ASSOCIATE |
|---|---------------------------------|---------|---------------------------------|
| NIL, as Company has no Holding, Subsidiary and Associates Company |                                 |         |                                 |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**A) Category-wise Share Holding**



**MOHINDRA FASTENERS LTD.**

| Category of Shareholders   | No. of Shares held at the beginning of the year[As on 31-March-2014] |               |                |                   | No. of Shares held at the end of the year[As on 31-March-2015] |               |                |                   | % Change during the year |
|--|--|---------------|----------------|-------------------|--|---------------|----------------|-------------------|--------------------------|
|  | Demat  | Physical      | Total          | % of Total Shares | Demat  | Physical      | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>  |  |               |                |                   |  |               |                |                   |                          |
| <b>(1) Indian</b>  |  |               |                |                   |  |               |                |                   |                          |
| a) Individual/ HUF   | 3442800  | 88400         | 3531200        | 65.92             | 3447300  | 38400         | 3485700        | 65.07             | (0.85)                   |
| b) Central Govt  | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| c) State Govt(s)   | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| d) Bodies Corp.  | 212000   | 175000        | 387000         | 7.22              | 212000   | 175000        | 387000         | 7.22              | 0.00                     |
| e) Banks / FI  | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| f) Any other   | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| <b>Total shareholding of Promoter (A)</b>  | <b>3654800</b>   | <b>263400</b> | <b>3918200</b> | <b>73.14</b>      | <b>3659300</b>   | <b>213400</b> | <b>3872700</b> | <b>72.30</b>      | <b>(0.84)</b>            |
| <b>B. Public Shareholding</b>  |  |               |                |                   |  |               |                |                   |                          |
| 1. Institutions  |  |               |                |                   |  |               |                |                   |                          |
| a) Mutual Funds  | -  | 19600         | 19600          | 0.37              | -  | 19600         | 19600          | 0.37              | 0.00                     |
| 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)  | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| <b>Sub-total (B)(1):-</b>  | <b>0</b>   | <b>19600</b>  | <b>19600</b>   | <b>0.37</b>       | <b>0</b>   | <b>19600</b>  | <b>19600</b>   | <b>0.37</b>       | <b>0.00</b>              |
| 2. Non-Institutions  |  |               |                |                   |  |               |                |                   |                          |
| a) Bodies Corp.  |  |               |                |                   |  |               |                |                   |                          |
| i) Indian  | 1000   | 69000         | 70000          | 1.31              | 0  | 69000         | 69000          | 1.29              | (0.02)                   |
| ii) Overseas   | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| b) Individuals   |  |               |                |                   |  |               |                |                   |                          |
| i) Individual shareholders holding nominal share capital up to Rs. 1 lakh        | 101300   | 317300        | 418600         | 7.81              | 103600   | 319500        | 423100         | 7.90              | 0.09                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 859400   | 69000         | 928400         | 17.33             | 874900   | 95500         | 970400         | 18.11             | 0.78                     |
| c) Others (specify)(HUF)   |  |               |                |                   |  |               |                |                   |                          |
| Non Resident Indians   | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| Overseas Corporate Bodies  | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| Foreign Nationals  | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| Clearing Members   | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| Hindi Undivided Family   | 2000   | -             | 2000           | 0.04              | 2000   | -             | 2000           | 0.04              | 0.00                     |
| Foreign Bodies - D R   | -  | -             | -              | -                 | -  | -             | -              | -                 | -                        |
| <b>Sub-total (B)(2):-</b>  | <b>963700</b>  | <b>455300</b> | <b>1419000</b> | <b>26.49</b>      | <b>980500</b>  | <b>484000</b> | <b>1464500</b> | <b>27.34</b>      | <b>0.85</b>              |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)                                     | 963700   | 474900        | 1438600        | 26.86             | 980500   | 503600        | 1484100        | 27.70             | 0.84                     |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           |  |               |                |                   |  |               |                |                   |                          |
| <b>Grand Total (A+B+C)</b>   | <b>4618500</b>   | <b>738300</b> | <b>5356800</b> | <b>100.00</b>     | <b>4639800</b>   | <b>717000</b> | <b>5356800</b> | <b>100.00</b>     | <b>0.00</b>              |

**B) Shareholding of Promoter-**

| Shareholder's Name |  | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|--------------------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| S no.              |  | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1                  | Ravinder Mohan Juneja                                  | 484650                                    | 9.05                             | -  | 484650                              | 9.05                             | -  | 0  |
| 2                  | Deepak Arneja  | 421000                                    | 7.86                             | -  | 421000                              | 7.86                             | -  | 0  |
| 3                  | Anurag Arneja  | 449800                                    | 8.40                             | -  | 450800                              | 8.42                             | -  | 0.02                                     |
| 4                  | Sripati Mehta  | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 5                  | Ram Bhaj Goswami                                       | 4500                                      | 0.08                             | -  | 4500                                | 0.08                             | -  | 0  |
| 6                  | Sonia Sehgal   | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 7                  | Kanta  | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 8                  | Laxmi  | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 9                  | Krishan Lal Chhabra                                    | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 10                 | Varinder Chhabra                                       | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 11                 | Madan Mohan Narang                                     | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 12                 | Rita Narang  | 5000                                      | 0.09                             | -  | 5000                                | 0.09                             | -  | 0  |
| 13                 | Usha Narang  | 5000                                      | 0.09                             | -  | 5000                                | 0.09                             | -  | 0  |
| 14                 | Raman Arora  | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 15                 | Kailash Chand Kalra                                    | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 16                 | Sunita Narang  | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 17                 | Deepak Sharma  | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 18                 | Nayna Rajesh Raigala                                   | 10000                                     | 0.19                             | -  | 10000                               | 0.19                             | -  | 0  |
| 19                 | Rajeev Aggarwal  | 2500                                      | 0.05                             | -  | 2500                                | 0.05                             | -  | 0  |
| 20                 | Chetan V.Sanghvi                                       | 28400                                     | 0.53                             | -  | 28400                               | 0.53                             | -  | 0  |
| 21                 | Divya Malik  | 65000                                     | 1.21                             | -  | 65000                               | 1.21                             | -  | 0  |
| 22                 | Ranbir Singh Narang                                    | 324700                                    | 6.06                             | -  | 403700                              | 7.54                             | -  | 1.48                                     |
| 23                 | Bimlesh Arora  | 3000                                      | 0.06                             | -  | 3000                                | 0.06                             | -  | 0  |
| 24                 | JP Singh Narang  | 186000                                    | 3.47                             | -  | 186000                              | 3.47                             | -  | 0  |
| 25                 | Jatinder Kaur Narang                                   | 144300                                    | 2.69                             | -  | 144300                              | 2.69                             | -  | 0  |
| 26                 | Gobind Preet Singh Narang                              | 40000                                     | 0.75                             | -  | 40000                               | 0.75                             | -  | 0  |
| 27                 | Kawaljit Kaur Narang                                   | 29000                                     | 0.54                             | -  | 29000                               | 0.54                             | -  | 0  |
| 28                 | Gagandeep Singh Narang                                 | 65300                                     | 1.22                             | -  | 65300                               | 1.22                             | -  | 0  |
| 29                 | Livleen Singh Narang                                   | 151700                                    | 2.83                             | -  | 151700                              | 2.83                             | -  | 0  |
| 30                 | Dheeraj Juneja   | 157100                                    | 2.93                             | -  | 157100                              | 2.93                             | -  | 0  |
| 31                 | Shakuntala Anil Kumar Merchant                         | 11000                                     | 0.21                             | -  | 11000                               | 0.21                             | -  | 0  |
| 32                 | Anil Kumar Kanji Merchant (Piyush Anil Kumar Merchant) | 7500                                      | 0.14                             | -  | 7500                                | 0.14                             | -  | 0  |
| 33                 | Simi Arneja  | 32000                                     | 0.60                             | -  | 32000                               | 0.60                             | -  | 0  |
| 34                 | Mukesh Arneja  | 279600                                    | 5.22                             | -  | 279600                              | 5.22                             | -  | 0  |
| 35                 | Ritu Arneja  | 13500                                     | 0.25                             | -  | 13500                               | 0.25                             | -  | 0  |
| 36                 | Prateek Arneja   | 24200                                     | 0.45                             | -  | 24200                               | 0.45                             | -  | 0  |
| 37                 | Neera Arneja   | 35800                                     | 0.67                             | -  | 35800                               | 0.67                             | -  | 0  |
| 38                 | Sudhir Arneja  | 283700                                    | 5.30                             | -  | 283700                              | 5.30                             | -  | 0  |

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|    |                                       |                |              |   |                |              |   |               |
|----|---------------------------------------|----------------|--------------|---|----------------|--------------|---|---------------|
| 39 | Mrinal Arneja                         | 14000          | 0.26         | - | 14000          | 0.26         | - | 0             |
| 40 | Sanath M Shah                         | 100            | 0.00         | - | 100            | 0.00         | - | 0             |
| 41 | Manohar Lal Narang<br>(M.L. Narang)   | 5000           | 0.09         | - | 5000           | 0.09         | - | 0             |
| 42 | Monica Arneja                         | 6850           | 0.13         | - | 8350           | 0.16         | - | 0.03          |
| 43 | Indira Juneja                         | 3500           | 0.07         | - | 5500           | 0.10         | - | 0.03          |
| 44 | Late. Sh. Shyam L raheja              | 100            | 0.00         | - | 100            | 0.00         | - | 0             |
| 45 | Anjali Suri                           | 2500           | 0.05         | - | 2500           | 0.05         | - | 0             |
| 46 | Manmeen Kaur Narang                   | 78400          | 1.46         | - | 78400          | 1.46         | - | 0             |
| 47 | Shaha                                 | 50000          | 0.93         | - | -              | -            | - | (0.93)        |
| 48 | Jasbir Kaur Narang                    | 79000          | 1.47         | - | -              | -            | - | (1.47)        |
| 49 | C V Trading & Investment<br>Co.       | 165000         | 3.08         | - | 165000         | 3.08         | - | 0             |
| 50 | Zir Con Finance & Leasing<br>(P) Ltd. | 10000          | 0.19         | - | 10000          | 0.19         | - | 0             |
| 51 | Kanpur Delhi Goods<br>Carriers Ltd.-  | 212000         | 3.96         | - | 212000         | 3.96         | - | 0             |
|    | <b>Total</b>                          | <b>3918200</b> | <b>73.14</b> |   | <b>3872700</b> | <b>72.30</b> |   | <b>(0.84)</b> |

### C) Change in Promoters' Shareholding (please specify, if there is no change)

| S no. | Particulars  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------|--|---|----------------------------------|---|----------------------------------|
|       |  | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
|       | At the beginning of the year   | 3918200                                   | 73.14                            | -                                       | -                                |
|       | Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / transmission/ sweat equity etc.): | (45500)                                   | (0.84)                           | 3872700                                 | 72.30                            |
|       | <b>At the end of the year</b>  | <b>3872700</b>                            | <b>72.30</b>                     | <b>-</b>                                | <b>-</b>                         |

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

| S no. | Name of the Promoters | Shareholding at the beginning of the year |                                  | Reason   | Date       | Increase/ Decrease in Shareholding |                                  | Cumulative Shareholding During the year/At the end of year |                                  |
|-------|-----------------------|---|----------------------------------|----------|------------|------------------------------------|----------------------------------|--|----------------------------------|
|       |                       | No. of 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     | Anurag Arneja         | 449800                                    | 8.4                              | Purchase | 29.07.2014 | 1000                               | 0.02                             | 450800   | 8.42                             |
| 2     | Ranbir Singh Narang   | 324700                                    | 6.06                             | Purchase | 01.08.2014 | 79000                              | 1.48                             | 403700   | 8.08                             |
| 3     | Monica Arneja         | 6850                                      | 0.13                             | Purchase | 05.12.2014 | 1500                               | 0.03                             | 8350   | 0.16                             |
| 4     | Indira Juneja         | 3500                                      | 0.07                             | Purchase | 01.4.2014  | 2000                               | 0.03                             | 5500   | 0.10                             |
| 5     | Shaha                 | 50000                                     | 0.93                             | Sale     | 06.09.2014 | (50000)                            | (0.93)                           | 0  | 0                                |
| 6     | Jasbir Kaur Narang    | 79000                                     | 1.47                             | Sale     | 01.08.2014 | (79000)                            | (1.47)                           | 0  | 0                                |

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

| S 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                                | 444800  | 8.30                             | -      | No Change                          | 444800                           | 8.30   |   |
| 2     | Late Ghan shyam dass                      | 414600  | 7.74                             | -      | No Change                          | 414600                           | 7.74   |   |
| 3     | Sumu financial services                   | 62000   | 1.16                             | -      | No Change                          | 62000                            | 1.16   |   |
| 4     | Rajesh jain                               | 30000   | 0.56                             | -      | No Change                          | 30000                            | 0.56   |   |
| 5     | Bank of India A/C BOI Mutual Fund         | 19600   | 0.37                             | -      | No Change                          | 19600                            | 0.37   |   |
| 6     | Sohan lal                                 | 17000   | 0.32                             | -      | No Change                          | 17000                            | 0.32   |   |
| 7     | Naresh Arora                              | 11500   | 0.21                             | -      | No Change                          | 11500                            | 0.21   |   |
| 8     | Davinder Kumar                            | 10500   | 0.20                             | -      | No Change                          | 10500                            | 0.20   |   |
| 9     | Ashwin kumar                              | 8000  | 0.15                             | -      | -                                  |                                  |  | Not Holding Top 10 position at the end of year. |
| 10    | Madhubala<br>Padma Devi<br>Rajesh Chhajer | 8000<br>8000<br>8000                                  | 0.15<br>0.15<br>0.15             | -      | -                                  |                                  |  | Not Holding Top 10 position at the end of year. |
| 11    | Arun Parti                                | Not Holding Top 10 position at the beginning of year. |                                  | -      | -                                  | 12000                            | 0.22   |   |
| 12    | Anil Kumar                                | Not Holding Top 10 position at the beginning of year. |                                  | -      | -                                  | 10000                            | 0.19   |   |

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

| S 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 (01.04.2014 to 31.03.2015) |                                  |
|-------|--|---|----------------------------------|------|--------------------------------------|--------|--|----------------------------------|
|       |  | No. of shares at the beginning (01.04.2014)/ end (31.03.2015) of the year | % of total shares of the company |      |                                      |        | No. of Shares  | % of total shares of the company |

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| A. DIRECTORS             |  |   |              |                                |   |                              |        |      |
|--------------------------|--|---|--------------|--------------------------------|---|------------------------------|--------|------|
| 1                        | Vinod Kumar<br>(Independent Director)              | 2000<br>2000                                      | 0.04<br>0.04 | 01.04.2014<br>To<br>31.03.2015 | 0 | NIL Movement during the year | 2000   | 0.04 |
| 2                        | Deepak Arneja<br>(Managing Director)               | 421000<br>421000                                  | 7.86<br>7.86 | 01.04.2014<br>To<br>31.03.2015 | 0 | NIL Movement during the year | 421000 | 7.86 |
| 3                        | Ravinder Mohan Juneja<br>(Managing Director)       | 484650<br>484650                                  | 9.05<br>9.05 | 01.04.2014<br>To<br>31.03.2015 | 0 | NIL Movement during the year | 484650 | 9.05 |
| 4                        | Sudhir Arneja<br>(Whole Time Director)             | 283700<br>283700                                  | 5.30<br>5.30 | 01.04.2014<br>To<br>31.03.2015 | 0 | NIL Movement during the year | 283700 | 5.30 |
| 5                        | Jatinder Pal Singh Narang (Non-Executive Director) | 186000<br>186000                                  | 3.47<br>3.47 | 01.04.2014<br>To<br>31.03.2015 | 0 | NIL Movement during the year | 186000 | 3.47 |
| 6                        | Anjali Malik<br>(Women Independent Director)       | NIL Shareholding, Since her appointment           |              |                                |   |                              |        |      |
| B. KEY MANAGERIAL PERSON |  |   |              |                                |   |                              |        |      |
| 7                        | Sunil Mishra<br>(Chief Financial Officer)          | 500<br>500  | 0.00<br>0.00 | 01.04.2014<br>To<br>31.03.2015 | 0 | NIL Movement during the year | 500    | 0.00 |
| 8                        | Madhu Kaushik<br>(Company Secretary)               | NIL Shareholding (Resigned w.e.f 11th May, 2015)  |              |                                |   |                              |        |      |
| 9                        | Asha Mittal<br>(Company Secretary)                 | NIL Shareholding (Appointed w.e.f 11th May, 2015) |              |                                |   |                              |        |      |

### V. INDEBTEDNESS

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

|   | Secured Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|---|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year |  |                    |          |                       |
| i) Principal Amount                                 | 1768.01 Lacs                           | -                  | -        | 1768.01 Lacs          |
| ii) Interest due but not paid                       | Nil                                    | -                  | -        | Nil                   |
| iii) Interest accrued but not due                   | 0.77 Lacs                              | -                  | -        | 0.77 Lacs             |
| Total (i+ii+iii)                                    | 1768.78 Lacs                           | Nil                | Nil      | 1768.78 Lacs          |
| Change in Indebtedness during the financial year    |  |                    |          |                       |
| * Addition  | 343.15 Lacs                            | -                  | -        | 343.15 Lacs           |
| * Reduction   | (54.17) Lacs                           | -                  | -        | (54.17) Lacs          |
| Net Change  | 288.98 Lacs                            | -                  | -        | 288.98 Lacs           |
| Indebtedness at the end of the financial year       |  |                    |          |                       |
| i) Principal Amount                                 | 2056.99 Lacs                           | -                  | -        | 2056.99 Lacs          |
| ii) Interest due but not paid                       | Nil                                    | -                  | -        | Nil                   |
| iii) Interest accrued but not due                   | 0.92 Lacs                              | -                  | -        | 0.92 Lacs             |
| Total (i+ii+iii)                                    | 2057.91 Lacs                           | Nil                | Nil      | 2057.91 Lacs          |

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR FY 2014-15**
**A. Remuneration to Managing Directors, Whole-time Director and/or Manager:**

| S No. | Particulars of Remuneration   | Name of MD/WTD/ Manager  |               |               | Total Amount |
|-------|---|--|---------------|---------------|--------------|
|       |   | Ravinder Mohan Juneja  | Deepak Arneja | Sudhir Arneja |              |
| 1     | Gross salary  | 21,98,400  | 21,14,400     | 14,49,600     | 57,62,400    |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 21,83,400  | 20,99,400     | 14,34,600     | 57,17,400    |
|       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 15,000   | 15,000        | 15,000        | 45,000       |
|       | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -  | -             | -             | -            |
| 2     | Stock Option  | -  | -             | -             | -            |
| 3     | Sweat Equity  | -  | -             | -             | -            |
| 4     | Commission  | -  | -             | -             | -            |
|       | - as % of profit  |  |               |               |              |
|       | - others, specify...  |  |               |               |              |
| 5     | Others, please specify  | -  | -             | -             | -            |
|       | <b>Total (A)</b>  | 21,98,400  | 21,14,400     | 14,49,600     | 57,62,400    |
|       | <b>Ceiling as per the Act</b>   | 77,19,969 (Seventy Seven Lacs Nineteen Thousand Nine Hundred and Sixty Nine) |               |               |              |

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

| S No. | Particulars of Remuneration  | Name of Directors   |                     |
|-------|--|---|---------------------|
| 1     | Independent Directors<br>Fee for attending board committee meetings<br>Commission<br>Others, please specify                      | Vinod Kumar<br>NIL  | Anjali Malik<br>NIL |
|       | Total (1)  | NIL   |                     |
| 2     | Other Non-Executive Directors<br>Fee for attending board committee meetings<br>Commission<br>Others, please specify<br>Total (2) | Jatinder Pal Singh Narang<br>NIL  |                     |
|       | Total (B)=(1+2)  | NIL   |                     |
|       | Total Managerial Remuneration(A+B)   | Rs. 57,62,400 (Fifty Seven Lacs Sixty Two Thousand Four Hundred)        |                     |
|       | Overall Ceiling as per the Act for total Managerial Remuneration   | 84,91,966 (Eighty Four Lacs Ninety One Thousand Nine Hundred Sixty Six) |                     |

**Note:** Therefore as explained above our total Managerial Remuneration is well enough within the limit as per Companies Act, 2013 and other applicable provisions, if any.

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

| S<br>N. | Particulars of Remuneration   | Name of Directors   |                     |                  |
|---------|---|---------------------|---------------------|------------------|
|         |   | CFO<br>Sunil Mishra | CS<br>Madhu Kaushik | Total            |
| 1       | Gross salary:   |                     |                     |                  |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 13,79,400           | 3,69,000            | 17,48,400        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 15,000              | 15,000              | 30,000           |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                   | -                   | -                |
| 2       | Stock Option  | -                   | -                   | -                |
| 3       | Sweat Equity  | -                   | -                   | -                |
| 4       | Commission  | -                   | -                   | -                |
|         | - as % of profit  | -                   | -                   | -                |
|         | others, specify...  | -                   | -                   | -                |
| 5       | Others, please specify  | -                   | -                   | -                |
|         | <b>Total</b>  | <b>13,94,400</b>    | <b>3,84,000</b>     | <b>17,78,400</b> |

**Note: Ceiling limits and remuneration are for the year 2014-15**

### XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type                                 | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|--------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                    |                              |                   |   |                              |                                    |
| Penalty<br>Punishment<br>Compounding |                              |                   | NONE  |                              |                                    |
| <b>B. DIRECTORS</b>                  |                              |                   |   |                              |                                    |
| Penalty<br>Punishment<br>Compounding |                              |                   | NONE  |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b>  |                              |                   |   |                              |                                    |
| Penalty<br>Punishment<br>Compounding |                              |                   | NONE  |                              |                                    |

## ANNEXURE II TO THE BOARDS' REPORT

### Details pertaining to Remuneration as required u/s 197(12) of The Companies Act 2013 read with the Rule 5 of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

The Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-2015, ratio of the remuneration of each Director, Chief Financial Officer and Company Secretary to the median remuneration of the total employees of the Company for the Year ended 2014-2015 and the comparison of the remuneration of Key Managerial Personnel against the performance of the Company are as under:

| SR. No. | Name of Director/KMP and Designation                         | Remuneration of Director/ KMP for the financial year 2014-2015 | % increase in remuneration in the financial year 2014-2015 | Ratio of remuneration of each director/to median remuneration of employees | Comparison of the remuneration of the KMPs against the performance of Company                        |
|---------|--|--|--|--|--|
| 1.      | Mr. Ravinder Mohan Juneja<br>(Managing Director)             | 21,98,400  | 08.27  | 06.95  | 10.02% increase in the KMPs remuneration as compared to Profit before tax of the Company is under 1% |
| 2.      | Mr. Deepak Arneja<br>(Managing Director & CEO)               | 21,14,400  | 08.11  | 06.69  |  |
| 3.      | Mr. Sudhir Arneja<br>(Whole Time Director)                   | 14,49,600  | 08.83  | 04.58  |  |
| 4.      | Mr. J P Singh Narang<br>(Non-Executive Director)             | Nil  | -  | -  |  |
| 5.      | Mr. Vinod Kumar<br>(Independent & Non-Executive Director)    | Nil  | -  | -  |  |
| 6.      | Mrs. Anjali Malik<br>(Independent & Non -Executive Director) | Nil  | -  | -  |  |
| 7.      | Mr. Sunil Mishra (Chief Financial Officer)                   | 13,94,400  | 15.05  | 04.41  |  |
| 8.      | *Ms. Madhu Kaushik<br>(Company Secretary)                    | 3,84,000   | 18.52  | 01.21  |  |

\*Ms Madhu Kaushik was a Company Secretary in Mohindra Fasteners Limited but w.e.f 11th May, 2015 has resigned from the office due to some personal reasons.

Further, Ms. Asha Mittal has been appointed as a Company secretary of the Company w.e.f 11th May, 2015.

- (i) The median remuneration of employees of the Company during the financial year 2014-15 was Rs 3,16,200.
- (ii) In the Financial year, there was an increase of 14.32 % in the median remuneration of the total Employees.
- (iii) There were 368 permanent employees on the rolls of the company during the year 2014-2015.
- (iv) The average increase in total remuneration of permanent employees is 17.98% as compared to performance of the Company on the basis of Profit before Tax is under 1 %, during the year as compared to previous year.
- (v) The increase in total remuneration of Key Managerial personnel (KMP) is 10.02% as compared to performance of the Company on the basis of Profit before Tax is under 1 %, during the year as compared to previous year.



## MOHINDRA FASTENERS LTD.

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- (vi) Variation in the Market Capitalization of the Company: Nil as no trading
- (vii) Price earning ratio is to be calculated on the basis of Market Price, but there was no trading due to exit order of DSE, So no market price as well as nothing to report.
- (viii) Increase/decrease over in the market quotations of the shares of the Company in Comparison to the rate at which the Company came out with last public offer:  
The Company had come out with its IPO (Initial and last held public offer on 06th June, 1996). At that time the market rate of the shares was Rs. 10 per share, and during the 31st March 2015, the market quotation of the shares was not available as no trading due to exit order of DSE. Thus, no market price as on 31st March, 2015 as well as nothing to report.
- (ix) Average percentage increase made in the salaries of employees other than the Managerial personnel in the financial year 2014-2015 was 18.71 %, whereas the increase in the managerial personnel in the financial 2014-2015 year was 10.02 % as compared to the previous year.
- (x) The term Key Managerial personnel includes Five KMPs, their individual comparison of remuneration with company performance is as follows;
- The increase in total remuneration of Managing Director (KMP) is 08.27% as compared to performance of the Company on the basis of Profit before Tax is under 1 %, during the year as compared to previous year.
  - The increase in total remuneration of other Managing Director & CEO (KMP) is 08.11% as compared to performance of the Company on the basis of Profit before Tax is under 1 %, during the year as compared to previous year.
  - The increase in total remuneration of Whole-Time Director (KMP) is 08.83% as compared to performance of the Company on the basis of Profit before Tax is under 1 %, during the year as compared to previous year.
  - The increase in total remuneration of Chief Financial Officer (KMP) is 15.05% as compared to performance of the Company on the basis of Profit before Tax is under 1 %, during the year as compared to previous year.
  - The increase in total remuneration of Company Secretary (KMP) is 18.52% as compared to performance of the Company on the basis of Profit before Tax is under 1 %, during the year as compared to previous year.
- (xi) There is no any variable component of remuneration availed by the Director(s).
- (xii) There is no any employee whose remuneration is in excess of highest Paid Director.
- (xiii) It is hereby affirmed that the remuneration is paid as per the remuneration policy for the Directors, Key managerial Personnel and other employees.

**NOTE:** There are no details to report pertaining to Rule 5(2) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as no employee falls under Rule 5(2) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

**ANNEXURE III TO THE BOARDS' REPORT**  
**DECLARATION OF INDEPENDENCE**

01st April, 2014

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

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

**I, Mr. Vinod Kumar**, hereby certify that I am a Non-executive Independent Director of **Mohindra Fasteners Limited**, 304 Gupta Arcade, Inder Enclave Delhi-Rohtak Road New-Delhi-1100087, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

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

## **MOHINDRA FASTENERS LTD.**

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

### **Declaration**

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

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

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

Thanking you,

Yours faithfully,

**Vinod Kumar**

**DIN: 02303504**

**11096, Doriwalan East Park Road, Karol Bagh,  
New Delhi, 110005, Delhi, India**

**ANNEXURE III TO THE BOARDS' REPORT**

**DECLARATION OF INDEPENDENCE**

01st April, 2014

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

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

I, **Mrs. Anjali Malik**, hereby certify that I am a Non-executive Independent Director of **Mohindra Fasteners Limited**, 304 Gupta Arcade, Inder Enclave Delhi-Rohtak Road New-Delhi-1100087, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

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

## **MOHINDRA FASTENERS LTD.**

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more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

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

### **Declaration**

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

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

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

Thanking you,

Yours faithfully,

**Anjali Malik**

**DIN: 06875087**

**House No-190, Opp.Old Sessions Court Civil Lines,**

**Rohtak, 124001, Haryana, India**

**ANNEXURE IV TO THE BOARDS' REPORT**

**FORM MR-3**

**SECRETARIAL AUDIT REPORT**

**(For the financial year ended 31st March 2015)**

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

To,

The Members

MOHINDRA FASTENERS LIMITED

304 Gupta Arcade, Inder Enclave

Delhi-Rohtak Road, New Delhi-110041

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 ended on 31st Day of March 2015, (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Mohindra Fasteners Limited ("The Company") and as produced before us for the period ended on 31st Day of March 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

## MOHINDRA FASTENERS LTD.

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### **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, Indirect Tax Laws, The Sexual Harassment of Women at workplace (Prevention Prohibition and Redressal) Act, 2013 and other laws applicable to the Company as per the representations made by the Company, if any

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

- a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

requiring compliance thereof by the company and were not applicable during the financial year ended, 31st March 2015 under review.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. However Secretarial Standards with respect to Board and general meetings as issued by "The Institute of the Company Secretaries of India"(ICSI) which are not in force as on the end of the financial year i.e.- 31st March 2015,(end of the audit period) has not been examined by us during the audit under review.
- (ii) The Listing Agreements entered into by the Company with the Delhi StockExchange Limited.

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

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

We, further report that, company has already constituted the committee under Sexual Harassment of Women at workplace (Prevention Prohibition and Redressal) Act, 2013, But due to unavailability of the person associated with NGO, there was no such member in the committee, though company was in process to reconstitute the committee again with NGO's associated person and reconstituted it w.e.f 31st July, 2015. As per explanation made to us by the management of the company, during the financial year 2014-2015, no complaints were received by the Company related to sexual harassment.

We further report that, as representation made by the Management of the company and based on the information received and records maintained by the Company, there are adequate systems and processes in the company

commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

1. One of the promoter of the company was filed a complaint against the company, with The Registrar of companies, NCT of Delhi and Haryana, during the financial year, under review in which he raised a various point of which company had file a reply to the good office of Registrar of companies as well. This matter is under jurisdiction of the good office of the Registrar of companies, NCT of Delhi and Haryana, so, we hereby, do not comment in the matter till the matter finally settled out.
2. The Members, at Annual General Meeting held on 25th day of September 2014, have passed a resolution to appoint, relative of a director to an office of place of profit
3. The Members, at Annual General Meeting held on 25th day of September 2014, have passed a resolution 180(1)(c) of the Act to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which altogether with the monies already borrowed by the Company up to 60 Crores ( Rupees Sixty Crores) (apart from temporary loans to be obtained from the company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves of the Company

Date:- 30/07/2015

Place:- Delhi

For, Anand Nimesh & Associates

(Company Secretaries)

Sd/-

Anand Kumar Singh

(Partner)

M. No A24881

CP No- 9404

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



**'ANNEXURE A'**

To,  
The Members  
MOHINDRA FASTENERS LIMITED  
304 Gupta Arcade, Inder Enclave  
Delhi-Rohtak Road, New Delhi-110041

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

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

Date:- 30/07/2015

Place:- Delhi

For, Anand Nimesh & Associates

(Company Secretaries)

Sd/-

Anand Kumar Singh

(Partner)

M. No- 24881

CP No- 9404

**ANNEXURE V TO THE BOARDS' 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 pertains to the 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:**

There were no contracts or arrangements or transactions entered into during the year ended March 31st, 2015, which were not at arm's length basis.

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

| SL. No. | Particulars   | Details   |
|---------|---|---|
| a)      | Name (s) of the related party & nature of relationship                                    | <b>1.Key Management Personnel:</b><br>Mr. Deepak Arneja - Managing Director & CEO<br>Mr. Ravinder Mohan Juneja - Managing Director<br>Mr. Sudhir Arneja - Whole-Time Director<br><b>2.Relatives of Key Management Personnel</b><br>Mr. Dheeraj Juneja - Son of Mr. Ravinder Mohan Juneja<br>Mr. Prateek Arneja - Son of Mr. Sudhir Arneja<br><b>3.Enterprises over which key management personnel and relatives of such personnel exercise significant influence:</b><br>M/s Mohindra Sales Private Limited |
| b)      | Nature of contracts/arrangements/ transaction   | 1. Remuneration<br>2. Remuneration<br>3.Sale of Goods   |
| c)      | Duration of the contracts/ arrangements/transaction                                       | 12 Months   |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any | Not Applicable  |
| e)      | Date of approval by the Board   | 30th April, 2014  |
| f)      | Amount paid as advances, if any   | Not Applicable  |

By order of the Board

Sd/-

Deepak Arneja

DIN:00006112

Managing Director & CEO

Place: Delhi

Date: 31st July, 2015

**ANNEXURE VI TO THE BOARDS' REPORT  
AUDITOR'S CERTIFICATE**

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 31 March, 2015, as stipulated in Clause 49 of the Listing Agreement, including the revised clause 49 notified by Securities Exchange Board of India (SEBI) vide circular No. CIR/CFD/Policy Cell/2/2014 dated 17.04.2014 and CIR/CFD/ Policy Cell/7/2014 dated 15.9.2014, of the said Company with stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**For M/s. GSK & Associates LLP,  
Chartered Accountants  
(Firm's Registration No.013838N/ N500003)  
Anil Somani  
Designated Partner  
(Membership No.093521)**

**Delhi, 31st July, 2015**

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**ANNEXURE VII TO THE BOARDS' 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 2014 - 2015.

**OVERVIEW**

The financial statements of the Company have been prepared in compliance with the requirements of the Companies Act, 2013 and generally accepted accounting principles in India. There are no material deviations from prescribed accounting standards. The Management of our Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and the state of affairs and profits for the year.

**ECONOMIC ENVIRONMENT**

Global economic indicators are expected to improve, led by positive prospects in advanced economies. It is interesting to see that despite the government capturing over Rs 20,000 crore as additional petroleum taxes after crude prices crashed, total tax growth has been much worse than in 2013-14. Total subsidies on products has come down sharply. The element of tax net of subsidy, which has to be added to Gross Value Added to obtain the GDP at market prices, has grown slower in 2014-15 than in the previous year. GVA growth is set at 7.5% in 2014-15, while GDP at market prices, inclusive of tax net of subsidy, is expected to grow only 7.4%.

The economic activity in India is expected to improve modestly in this year, driven by global economic revival and moderation in inflation. This is largely on account of better business cum political sentiments due to installation of a new federal government.

The year has started on a fairly positive note, although the sentiment is still not very high. The domestic industry is still waiting for good times and automotive companies have started launching new models in the hope of increasing volumes during the Festive period. We expect a downward pressure on interest rates before the festival period, which is likely to trigger increasing demands.

The exports are satisfactory and we hope that with the revised pricing, newer customers and the hope that the worst is over on "Greece" front, we would be able to increase our Export revenues. The Government has substantially reduced the Export benefits w.e.f 1st April 2015. This along with the lower Euro has put a lot of pressure on the bottom line of the company. Hence the efforts are to be made to diversify in other markets as well.

We hope that this financial year would be a good balanced year for the Company.

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

Indian gross domestic product registered a moderate growth after a few years of steep decline. Index of Industrial Production relating to the manufacturing sector showed a marginal growth.

Volatility in foreign exchange rates due to erratic US economic data and Euro zone crisis, large current account deficits, high inflation rates, volatile crude oil prices, high interest rates and low consumption growth market yet another difficult year.

US economy showed reasonable growth while European economies in general showed a negative growth. The stress in Euro zone economies caused by the financial crisis continued to simmer and full scale recovery is nowhere in sight. Emerging and developing economies other than India also slowed down considerably.

## **MOHINDRA FASTENERS LTD.**

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During 2014-15, the automotive sector in India showed a weak growth with some important segments posting a negative growth.

The performance of fasteners industry is linked to the automobile sector. The Indian Automotive Industry could not grow as was expected, in FY 2014-15. However management does feel that the onset of Festival season this year should bring about exciting growth opportunities. Our sales team is being motivated to look for new business contracts which should help the company in medium to long term. The Export growth last year was hurt by falling Euro and concerns over Greece and other EU countries. Although it seems that the worst is over but the demand has not picked up the way it should have. We are adding some new customers in untapped markets to diversify our client portfolio.

The reason for upward trend is liberalized government policies towards export and welcome approach towards foreign direct investment.

In 2014-15 also prominent companies such as Maruti Suzuki India Ltd. and Hero Motocorp Ltd. had to cut production at their respective plants which affected fasteners industry also.

### **Domestic Sales:**

The Domestic sales for the FY 2014-15 were Rs. 3637.11 Lacs (previous year Rs. 3622.07 Lacs in FY 2013-14) which were more or less stagnant.

Our Domestic sales could not grow as the general economic environment was not so upbeat. The passenger car industry held back the launch of newer models owing to poor sales in the market. The two wheeler segment was the only one which reflected positive growth whilst all other segments were either with low growth rates or negative growth rates. We are hopeful that this year will demonstrate some better opportunities in the running Financial Year.

### **Export Sales:**

The Export sales for the FY 2014-15 were Rs. 5624.60 Lacs (previous year Rs. 5555.09 Lacs in FY 2013-14) which shows a marginal increase.

The Export sales took a dip in the last quarter of FY 2014-15 on account of softening of Euro due to pressure on EU countries and European Central Bank owing to Greece debts. Despite the above, your company could post a marginal increase in Exports. The figures of Central Government also show that Exports have fallen over the past one year (for the country as a whole) but your company has a reputation of Good quality and this is reflected in the Export sales' figure.

### **OUTLOOK**

The performance of the fasteners industry is directly linked to the automobile sector. The growth of the automobile sector is dependent on the performance of the economy. The Government expects economy to grow by 7.5%.

India is emerging as one of the world's fastest growing market for car as well as for two wheelers. It is also home for the largest motor cycle manufacturer and fifth largest commercial vehicle manufacturer giving a promising future for fasteners industry also.

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.

### **OPPORTUNITIES & THREATS**

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

India is at a threshold for a major take off in Automobile Sector and the growth in Automobile Sector will directly affect the growth of manufacturing High Tensile Fasteners. Moreover, the Global Meltdown has forced the

various Western Countries to look for low cost Asian Countries for their business ventures that will open new business opportunities for us.

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

### **THREATS**

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

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

### **CHALLENGES**

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

### **STRENGTHS**

- Undertaken import-substitution for Automotive Companies in India
- Combination of hot and cold forging under one roof.
- Turning, Milling, Grinding and Drilling in the same premises.
- Facility to produce Precision Machine Components
- 100% of Tonnage exported to Europe, UK and USA
- Entering into the new markets.
- Ability to handle carbon/alloy/ball- bearing/spring/stainless steel for various products and applications
- Ability to develop new components in short time.

### **RISKS & CONCERNS**

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

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

### **ADEQUACY OF INTERNAL CONTROLS**

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

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

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

## **MOHINDRA FASTENERS LTD.**

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

During the year under review, the total Gross sales of the Company marginally increased to Rs. 9261.71 Lacs as compared to 9177.17 Lacs in the previous year. The increase over last year is under 1%.

The Profit before tax (PBT) of the Company is Rs. 657.57 Lacs as compared to previous year figure of Rs. 651.43 Lacs. The increase in profit before tax as compared to previous year is under 1%.

Your company has lower debt outgo and at competitive interest rates and this is reflected in lower finance costs. The Employment and Energy Costs have gone up and the company is taking adequate measures to control the same.

The profits before tax (PBT) has increased by under 1% during the financial year, which shows an upward trend in market and hopefully this scenario will continue due to steps taken by government towards liberalizing export policies and welcome approach towards foreign direct investment (FDI).

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

The Company enjoyed harmonious relation with all employees in the factory and office throughout the year. Your Directors wish to place on record their appreciation of the dedicated and commendable services rendered by the staff and workers of the Company. The Company had total 368 employees during the year 2014-15.

Being a manufacturing company, workers form an important link in the chain of growth. A congenial atmosphere has been created at the shop floor level and all facilities required for a secure and cordial environment are provided. Management at all level takes care of the interest of the workforce and frequent interactive sessions are conducted throughout the year.

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

### **CAUTIONARY STATEMENT**

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

Place: New Delhi  
Date: 31.07.2015

(Deepak Arneja)  
DIN:00006112  
Managing Director & CEO

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**ANNEXURE VIII TO THE BOARDS' REPORT**

**[Pursuant to Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8 (3) of  
The Companies (Accounts) Rules, 2014]**

**(A) CONSERVATION OF ENERGY**

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

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

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

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

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

(ii) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- 1) Use of Air Pneumatic Tools over Electric Tools.
- 2) Emphasis on installation of lower voltage energy efficiency lamps and use of CFL lamps.
- 3) Introduction of waste heat recovery system in furnace.
- 4) Setting the room Air Conditioners at a temperature of 24<sup>oc</sup> or more.
- 5) Rationalization of load on different DG sets.
- 6) Installation of LED lamps at a few places on trial basis to study the cost benefits.

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

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

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

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



**FORM A (RULE 2)**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

**A .POWER AND FUEL CONSUMPTION**

|  |                                       | <b>CURRENT YEAR<br/>2014-2015</b> | <b>PREVIOUS YEAR<br/>2013-2014</b> |
|--|---------------------------------------|-----------------------------------|------------------------------------|
| <b>a) Power</b>                              | <b>a) Purchased</b>                   |                                   |                                    |
|  | i) Unit (KWH)                         | 7555902                           | 7531860                            |
|  | ii) Total Amount                      | 66180935                          | 59642772                           |
|  | iii) Rate Per Unit(Rs.)               | 8.76                              | 7.92                               |
|  | <b>b) Own Generator</b>               | NIL                               | NIL                                |
| <b>b) Fuel</b>                               | <b>Coal</b>                           | NIL                               | NIL                                |
|  | Diesel Oil (Ltrs.)                    | 226178                            | 178153                             |
|  | Total Amount                          | 11617051                          | 9600386                            |
|  | Rate Per Ltr.(Rs.)                    | 51.36                             | 53.89                              |
| <b>c) Gas</b>                                | <b>c) Peroleum Gas (Kgs.)</b>         |                                   |                                    |
|  | Total Amount                          | 33070                             | 38506                              |
|  | Rate Per Kg.(Rs.)                     | 1851625                           | 2748378                            |
|  |                                       | 55.99                             | 71.38                              |
|  |                                       | 79649611.34                       | 71991536                           |
| <b>B. CONSUMPTION PER UNIT OF PRODUCTION</b> |                                       |                                   |                                    |
|  | <b>Production (with details) Unit</b> |                                   |                                    |
|  | Productivity                          | 6273.20                           | 6243.71                            |
|  | Electricity KWH/MT                    | 1204.47                           | 1206.31                            |
|  | Diesel Oil Ltr./MT                    | 36.05                             | 28.53                              |
|  | LPG Kg./MT                            | 5.27                              | 6.17                               |

**(B) TECHNOLOGY ABSORPTION**

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

a. The Company is having the following quality/system related certification:-

ISO 9001:2008

ISO/TS 16949: 2009

ISO 14001:2004

OHSAS 18001:2007

b. Training of personnel in -house.

c. 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.

d. 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:**

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

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

**(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:**

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

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

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

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

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

**c. 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**

Efforts: Despite severe competition from China and Taiwan and some other Asian and east European countries. The Company has added new customers in our portfolio across the globe. Most of our customers have shown keen interest to engage with 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) Total foreign exchange used and earned.**

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

**(I) Foreign Exchange Earnings:** Mentioned in annexed financial statements

**(II) Foreign Exchange Outgo:** Mentioned in annexed financial statements

**ANNEXURE IX TO THE BOARDS' REPORT  
CSR POLICY**

**(Approved by the Board of Directors on 17th May, 2014)**

**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>Mohindra Fasteners Limited is committed to improve quality of lives of people in the community, serves through long term stakeholder value creation, with special focus on empowerment of communities in rural India. The Company has adopted a policy for CSR at the meeting of its Board of Directors dated 17th May, 2014. CSR activities are implemented by the in-house CSR team/committee through a trust named MARUTI EDUCATIONAL TRUST situated at "Raghunath Sadan", Gopal Ganj, Sarai Lavaria, Aligarh.</p> <p>The Company has framed the policy for the activities relating to and focus on Eradicating Hunger, Poverty &amp; Malnutrition, Education, Gender Equality &amp; Woman Empowerment, Rural Development Projects, Environmental Sustainability, etc.</p> <p>The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the <a href="http://www.mohindra.asia">www.mohindra.asia</a> under Investor section/link.</p> |
| <p>2.The Composition of the CSR Committee</p>   | <ol style="list-style-type: none"> <li>1. Mr. Deepak Arneja (Chairman &amp; Managing Director)</li> <li>2. Mr. Ravinder Mohan Juneja (Managing Director)</li> <li>3. Mr. Vinod Kumar(Non Executive &amp; Independent Director)</li> </ol>   |
| <p>3.Details of implementing agency</p>   | <p>MARUTI EDUCATIONAL TRUST situated at "Raghunath Sadan", Gopal Ganj, Sarai Lavaria, Aligarh.</p>  |
| <p>4.Average net profit of the company for last three financial years</p>   | <p>5,93,76,800 (Five Crores Ninety Three Lacs Seventy Six Thousand Eight Hundred)</p>   |
| <p>5.Prescribed CSR Expenditure (two percent of the amount as in item 3 above)</p>  | <p>11,87,536 (Eleven Lacs, Eighty Seven Thousand Five Hundred Thirty Six)</p>   |
| <p><b>6.Details of CSR spent during the financial year:</b><br/>(a)Total amount to be spent for the financial year;<br/><br/>(b) Amount unspent, if any;<br/>(c) Manner in which the amount spent during the financial year is detailed below</p> | <p>Rs. 11,87,536 (Eleven Lacs Eighty Seven Thousand Five Hundred and Thirty Six Only) (The Company has spent this amount during financial year 2014-15)<br/>NIL<br/>The manner in which the amount is spent is annexed.</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>The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.</p>  |

**Annexure to the Point 6(c)**

| <b>S. No.</b> | <b>Particulars</b>  | <b>Details</b>  |
|---------------|---|---|
| (1)           | CSR project or activity identified  | Noida International University  |
| (2)           | Sector in which the project is covered  | Education   |
| (3)           | Projects or Programme<br>(1) Local area or other<br>(2) Specify the state and district where projects or programs was undertaken  | Medical College & School at 17A,<br>Yamuna Express Way Greater Noida<br>(U.P) |
| (4)           | Total Amount outlay (budget project or Programme wise)  | Rs. 11,87,536   |
| (5)           | Total Amount spent on the project or Programme<br>Sub Heads;<br>(1) Direct expenditure on projects or programmes<br>(2) Overheads | Rs. 11,87,536   |
| (6)           | Total Cumulative expenditure up to the reporting period   | Rs. 11,87,536   |
| (7)           | Amount Spent direct or through implementing agency  | Through implementing agency   |

**Sd/-**  
**Deepak Arneja**  
**(Chairman, CSR**  
**Committee)**

**Sd/-**  
**Ravinder Mohan Juneja**  
**(Managing Director)**

**Sd/-**  
**Vinod Kumar**  
**(Non Executive &**  
**Independent Director)**

## MOHINDRA FASTENERS LTD.

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### ( Annexure X To The Corporate Governance Report) CEO AND CFO CERTIFICATION TO THE BOARD

**TO**  
**THE BOARD OF DIRECTORS**  
**MOHINDRA FASTENERS LIMITED**

We, the undersigned, certify to the Board that and to the best of our knowledge and belief:

- I. We have reviewed the financial statements and the cash flow statement and all the notes on accounts and the Board's Report for the year ending 31.03.2015
- II. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- III. 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.
- IV. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- V. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- VI. We have discussed with the auditors and the Audit Committee
  - a) significant changes made/to be made in internal control during the year;
  - b) significant changes in accounting policies during the year, and the same have been disclosed in the notes to the financial statements; and
- VII. We affirmed that we have not denied any personnel access to the audit committee of the Company (in respect of the matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- VIII. There was no instance of significant fraud of which we are aware nor there has been involvement of the management or an employee having a significant role in the company's internal control system.

**Place: New Delhi**  
**Date: 31.07.2015**

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

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

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### ( Annexure XI To The Corporate Governance Report)

**To,**  
**The Members of Mohindra Fasteners Limited**

#### **Declaration by the Managing Director under Clause 49 of the Listing Agreement**

I, Deepak Arneja (DIN:00006112), Managing Director & CEO of Mohindra Fasteners Limited do hereby declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct, as applicable to them and have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the Code of Conduct as prescribed by the Company, for the year ended 31st March, 2015.

**Delhi, 31st July, 2015**

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



**Gsk & Associates LLP**

Chartered Accountants

LLPIN : AAB-1809

(Registered under The Limited Liability Partnership Act, 2008)

**Regd. Office:**

8, 1st Floor, Rani Jhanshi Road,

Motia Khan Industrial Area,

New Delhi - 110055.

Tel.: 011-23515470-72 Fax : 011-23515473

Email : info@gskassociates.com

Website : www.gskassociates.com

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## **INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF**

**MOHINDRA FASTENERS LIMITED**

**Report on Financial Statements**

We have audited the accompanying financial statements of MOHINDRA FASTENERS LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of 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 control, 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.

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



**Gsk & Associates LLP**

**Chartered Accountants**

**LLPIN : AAB-1809**

(Registered under The Limited Liability Partnership Act, 2008)

**Regd. Office:**

8, 1st Floor, Rani Jhanshi Road,

Motia Khan Industrial Area,

New Delhi - 110055.

Tel.: 011-23515470-72 Fax : 011-23515473

Email : info@gskassociates.com

Website : www.gskassociates.com

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## **INDEPENDENT AUDITORS' REPORT (Contd.)**

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2015("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 I a statement on the matters Specified in paragraphs 3 and 4 of the said Order.
2. **As required by section 143(3) of the Act, we report that:**
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards 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 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company has no pending litigations. Therefore no any impact arise on its financial position in its financial statements.;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There was no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **GSK & ASSOCIATES LLP**

**Chartered Accountants**

**(Firm Registration No. : 013838N/N500003)**

Sd/-

**Anil Somani**

**Designated Partner**

(Membership No.: 093521)

Place: New Delhi

Date: 31/07/2015



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## **ANNEXURE-1 TO INDEPENDENT AUDITOR'S REPORT**

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date.

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets on the basis of available information.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
  - a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of its inventories. As per the information and explanations given to us, no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013:
  - (a) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore Clause iii of the paragraph 3 of the CARO 2015 is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has an adequate internal control system commensurate with its size and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and rules framed there under. Therefore the provision of clause v of the paragraph 3 of the CARO 2015 is not applicable to the company
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost records and Audit) Rules 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
  - (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees





**Gsk & Associates LLP**

**Chartered Accountants**

**LLPIN : AAB-1809**

(Registered under The Limited Liability Partnership Act, 2008)

**Regd. Office:**

8, 1st Floor, Rani Jhanshi Road,

Motia Khan Industrial Area,

New Delhi - 110055.

Tel.: 011-23515470-72 Fax : 011-23515473

Email : info@gskassociates.com

Website : www.gskassociates.com

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## **ANNEXURE-1 TO INDEPENDENT AUDITOR'S REPORT (Contd.)**

state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.

- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues were outstanding as at 31 March, 2015 for a period of more than six months from the date of becoming payable.
- (c) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time by the company.
- (viii) The company does not have the accumulated losses at the end of financial year. The company has not incurred any Cash losses during the financial covered by the audit and in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks.
- (x) In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) The company has not raised term loans during the year. The term loans outstanding at the beginning of the year have been applied for the purpose for which they were raised.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **GSK & ASSOCIATES LLP**

**Chartered Accountants**

**(Firm Registration No. : 013838N/N500003)**

Sd/-

**Anil Somani**

Designated Partner

(Membership No.:093521)

Place: New Delhi

Date: 31.07.2015

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015**

| Particulars   | Note    | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------|------------------------|------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                                    |         |                        |                        |
| <b>(1) Shareholder's Funds</b>                                      |         |                        |                        |
| (a) Share Capital   | 1       | 53568000               | 53568000               |
| (b) Reserves and Surplus  | 2       | 263381316              | 232049228              |
| <b>(2) Non-Current Liabilities</b>                                  |         |                        |                        |
| (a) Long-Term Borrowings  | 3       | 8215025                | 7925503                |
| (b) Deferred Tax Liability (Net)                                    | 4       | 28792173               | 29280633               |
| <b>(3) Current Liabilities</b>                                      |         |                        |                        |
| (a) Short-Term Borrowings   | 5       | 192495588              | 158761645              |
| (b) Trade Payables  | 6       | 177777976              | 202618075              |
| (c) Other Current Liabilities                                       | 7       | 16129458               | 22216362               |
| (d) Short-Term Provisions   | 8       | 50337717               | 48197803               |
| <b>Total (Equity &amp; Liabilities)</b>                             |         | <b>790697253</b>       | <b>754617249</b>       |
| <b>II. ASSETS</b>   |         |                        |                        |
| <b>(1) Non-Current Assets</b>                                       |         |                        |                        |
| <b>(a) Fixed Assets</b>   |         |                        |                        |
| (i) Tangible Assets   | 9       | 239805350              | 249283191              |
| (ii) Intangible Assets  |         | 2509044                | 2283509                |
| (iii) Capital Work in Progress                                      |         | 33252571               | 6307446                |
| (b) Non Current Investments   | 10      | 137617                 | 137617                 |
| (c) Long Term Loans and Advances                                    | 11      | 8859544                | 8498436                |
| (d) Other Non Current Assets  | 12      | 299246                 | 1498513                |
| <b>(2) Current Assets</b>   |         |                        |                        |
| (a) Inventories   | 13      | 251264967              | 201490511              |
| (b) Trade Receivables   | 14      | 158312299              | 168868149              |
| (c) Cash and Cash Equivalents                                       | 15      | 18061962               | 20320673               |
| (d) Short-Term Loans and Advances                                   | 16      | 77082435               | 95135842               |
| (e) Other Current Assets  | 17      | 1112217                | 793362                 |
| <b>Total (Assets)</b>   |         | <b>790697253</b>       | <b>754617249</b>       |
| Significant Accounting Policies & Notes to the Financial Statements | 1 to 36 |                        |                        |

As per our Report of even date

**For GSK & Associates LLP**

**Chartered Accountants**

**Firm Reg. No.: 013838N/N500003**

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

Sd/-  
**Anil Somani**  
 (Designated Partner)  
 M.No. 093521

Sd/-  
**Sunil Mishra**  
 (Chief Financial Officer)

Sd/-  
**Ravinder Mohan Juneja**  
 (Managing Director)  
 DIN:- 00006496

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

Sd/-  
 Place : New Delhi  
 Date : 31.07.2015

Sd/-  
**Asha Mittal**  
 (Company Secretary )

**MOHINDRA FASTENERS LTD.****STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

| Particulars   | Note    | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------|------------------------|------------------------|
| <b>Continuing Operations</b>  |         |                        |                        |
| Revenue from operations   | 18      | 926170564              | 917716998              |
| Other Income  | 19      | 23092253               | 4352991                |
| <b>Total Revenue</b>  |         | <b>949262818</b>       | <b>922069989</b>       |
| <b>Expenses:</b>  |         |                        |                        |
| Cost of Materials Consumed  | 20      | 394755881              | 387676726              |
| Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade | 21      | (15884276)             | (4433012)              |
| Employee Benefits Expense   | 22      | 145774333              | 124180688              |
| Finance Costs   | 23      | 15212250               | 17853646               |
| Depreciation and Amortization Expense                                       | 24      | 27911975               | 31210764               |
| Other Expenses  | 25      | 315736164              | 300438535              |
| <b>Total Expenses</b>   |         | <b>883506328</b>       | <b>856927346</b>       |
| <b>Profit Before Tax</b>  |         | <b>65756490</b>        | <b>65142642</b>        |
| <b>Tax expense:</b>   |         |                        |                        |
| Current Tax   |         | 21700000               | 20500000               |
| Deferred Tax  |         | (488460)               | 388187                 |
| <b>Profit From the Continuing Operations</b>                                |         | <b>44544950</b>        | <b>44254455</b>        |
| <b>Earning Per Equity Share of Face Value Rs.10/- Each:</b>                 |         |                        |                        |
| Basic & Diluted (in Rs.)  | 29      | 8.32                   | 8.26                   |
| Significant Accounting Policies & Notes to the Financial Statements         | 1 to 36 |                        |                        |

As per our Report of even date

**For GSK & Associates LLP****Chartered Accountants****Firm Reg. No.: 013838N/N500003****For & on Behalf of the Board of Directors**

Sd/-

**Anil Somani****(Designated Partner)****M.No. 093521**

Sd/-

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

Sd/-

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

Sd/-

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

Sd/-

**Asha Mittal****(Company Secretary)****Place : New Delhi****Date : 31.07.2015**

**Cash Flow Statement for the year 2014-15**

| Particulars   | For the year<br>ended 31st<br>March,2015<br>(Amount in Rs.) | For the year<br>ended 31st<br>March,2014<br>(Amount in Rs.) |
|---|---|---|
| <b>A. Cash Flow from Operating Activities</b>                         |   |   |
| Net Profit/(Loss) before extraordinary items and tax                  | 65756490  | 65142642  |
| <b>Adjustment for:</b>  |   |   |
| Depreciation and amortisation   | 27911975  | 31210764  |
| (Profit)/ Loss on Sale of Fixed Assets (Net)                          | 846631  | 482572  |
| Finance Costs   | 15212250  | 17853646  |
| Interest Income   | (1893838)   | (4156710)   |
| Prov. for Wealth Tax  | 4499  |   |
| Dividend Income   | (3740)  | (30720)   |
| <b>Operating Profit/(Loss) before Working Capital Changes</b>         | <b>107834267</b>  | <b>110502194</b>  |
| <b>Adjustments for (increase)/ decrease in operating assets:</b>      |   |   |
| - Inventories   | (50531748)  | (43514872)  |
| - Trade and Other Receivables   | 28902271  | (44813059)  |
| <b>Adjustments for increase/ (decrease) in operating Liabilities:</b> |   |   |
| - Trade & Other Payables  | (25730659)  | 80934055  |
| Cash generated from Operations  | 60474131  | 103108318   |
| Taxes Paid (Net)  | (20609868)  | (20836033)  |
| <b>Net Cash generated from Operating Activities (A)</b>               | <b>39864263</b>   | <b>82272285</b>   |
| <b>B. Cash Flow from Investing Activities</b>                         |   |   |
| Capital Expenditure on Fixed Assets                                   | (48261426)  | (40906769)  |
| Proceeds from sale of Fixed Assets                                    | 1810000   | 888000  |
| Interest Income   | 1893838   | 4156710   |
| Dividend Income   | 3740  | 30720   |
| <b>Net Cash generated from Investing Activities (B)</b>               | <b>(44553848)</b>   | <b>(35831339)</b>   |
| <b>C. Cash Flow from Financing Activities</b>                         |   |   |
| Repayment of Long Term Borrowings (Net)                               | (4835821)   | (49535872)  |
| Short term Borrowings (Net)   | 33733943  | 32201435  |
| Finance Cost Paid   | (15212250)  | (17853646)  |
| Dividends Paid  | (9616299)   | (8511119)   |
| Dividend Distribution Tax   | (1638699)   | (1456621)   |
| <b>Net Cash generated from Financing Activities (C)</b>               | <b>2430873</b>  | <b>(45155823)</b>   |
| Net   | (2258712)   | 1285124   |
| Cash and Cash Equivalents at the Beginning of the Year                | 20320674  | 19035550  |
| Cash and Cash Equivalents at the End of the Year*                     | 18061962  | 20320674  |

## MOHINDRA FASTENERS LTD.

### Cash Flow Statement for the year 2014-15 (Contd.)

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**Notes:**

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing operations.
- (ii) All figures in brackets are outflows/ decrease.
- (iii) Previous years figures have been regrouped/restated wherever necessary.
- (iv) \*Cash and Cash Equivalents are Cash and Bank balances as mentioned in Note No. 15

As per our report of even date

For **GSK & Associates LLP**  
**Chartered Accountants**  
**FRN :013838N/N500003**

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

**Sd/-**  
**Anil Somani**  
**(Designated Partner)**  
**M.No. 093521**

**Sd/-**  
**Sunil Mishra**  
**(Chief Financial Officer)**

**Sd/-**  
**Ravinder Mohan Juneja**  
**(Managing Director)**  
**DIN:- 00006496**

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

**Place : New Delhi**  
**Date : 31.07.2015**

**Sd/-**  
**Asha Mittal**  
**(Company Secretary )**

**Note : 1 Share Capital**

| Particulars  | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|--|---------------------------|---------------------------|
| <b><u>AUTHORIZED SHARE CAPITAL</u></b>   |                           |                           |
| 6500000 Equity Shares of Rs. 10/- each.<br>(P.Y. 6500000 Equity Shares of Rs. 10/- each)                             | 65000000                  | 65000000                  |
|  | 65000000                  | 65000000                  |
| <b><u>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</u></b>  |                           |                           |
| 5356800 Equity Shares of Rs. 10/- each, Fully paid up<br>(P.Y. 5356800 Equity Shares of Rs. 10/- each fully paid up) | 53568000                  | 53568000                  |
| <b>Total in `</b>  | <b>53568000</b>           | <b>53568000</b>           |

| 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                  | -              | -              |
| <b>Balance at the end of the Year</b>                | <b>5356800</b> | <b>5356800</b> |

**b) Terms/rights attached to shares**

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## MOHINDRA FASTENERS LTD.

### Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)

#### c) List of Share Holders Holding more than 5% Shares

| Particulars                        | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|------------------------------------|---------------------------|---------------------------|
| <b><u>Name Of Shareholders</u></b> |                           |                           |
| Mr. Deepak Arneja                  |                           |                           |
| No of Shares                       | 421000                    | 421000                    |
| (% of Shares held)                 | 7.86                      | 7.86                      |
| Mr. Ravinder Mohan Juneja          |                           |                           |
| No of Shares                       | 484650                    | 484650                    |
| (% of Shares held)                 | 9.05                      | 9.04                      |
| Mr. Anurag Arneja                  |                           |                           |
| No of Shares                       | 450800                    | 449800                    |
| (% of Shares held)                 | 8.42                      | 8.40                      |
| Mr. Ranbir Singh Narang            |                           |                           |
| No of Shares                       | 403700                    | 324700                    |
| (% of Shares held)                 | 7.54                      | 6.06                      |
| Mr. Mukesh Arneja                  |                           |                           |
| No of Shares                       | 279600                    | 279600                    |
| (% of Shares held)                 | 5.22                      | 5.22                      |
| Mr. Sudhir Arneja                  |                           |                           |
| No of Shares                       | 283700                    | 283700                    |
| (% of Shares held)                 | 5.30                      | 5.30                      |
| Mrs. Kanta Devi                    |                           |                           |
| No of Shares                       | 444800                    | 444800                    |
| (% of Shares held)                 | 8.30                      | 8.30                      |
| *Mr. Ghanshyam Dass                |                           |                           |
| No of Shares                       | 414600                    | 414600                    |
| (% of Shares held)                 | 7.74                      | 7.74                      |

\*Note: Mr. Ghanshyam Dass Soni has expired on 23rd November, 2013 due to his untimely death and his shareholding in the form of Equity Shares are not transmitted yet.

#### D) Bonus Shares/Buy Back/Shares for consideration other than cash issued during the period of five years immediately preceding the Financial Year ended on 31st March, 2015:

- i) Aggregate number of Equity Shares allotted as fully paid up pursuant to contract without payment being received in cash-NIL
- ii) Aggregate number of equity shares as fully paid up by way of bonus shares - NIL
- iii) Aggregate number of equity shares bought back - NIL

**Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**Note : 2 Reserves & Surplus**

| Particulars   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| <b>Capital Reserve</b>  |                           |                           |
| Capital Subsidy   |                           |                           |
| As per Last Balance Sheet   | 1500000                   | 1500000                   |
| Addition during the year  | 0                         | 0                         |
| <b>Balance at the end of the year</b>   | <b>1500000</b>            | <b>1500000</b>            |
| Equity Shares Forfeited   |                           |                           |
| As per Last Balance Sheet   | 574340                    | 574340                    |
| Addition during the year  | 0                         | 0                         |
| <b>Balance at the end of the year</b>   | <b>574340</b>             | <b>574340</b>             |
| <b>General Reserve</b>  |                           |                           |
| As per Last Balance Sheet   | 19500000                  | 16000000                  |
| Add : Transferred from Surplus in Statement of Profit & Loss                        | 3500000                   | 3500000                   |
| <b>Balance at the end of the year</b>   | <b>23000000</b>           | <b>19500000</b>           |
| <b>Surplus i.e. Balance in Statement of Profit &amp; Loss</b>                       |                           |                           |
| As per Last Balance Sheet   | 202165494                 | 172318380                 |
| Add: Profit for the Year  | 44544950                  | 44254455                  |
| Less : Excess / (Short) Provision of Previous Year                                  | (318225)                  | 373598                    |
|   | 246392219                 | 216946433                 |
| Less : Appropriations   |                           |                           |
| - Transfer to General Reserve   | 3500000                   | 3500000                   |
| - Proposed Dividend on Equity Shares {Dividend per Share<br>Rs 2.00 (P.Y. Rs.1.80)} | 10713600                  | 9642240                   |
| - Tax on Dividend   | 2181037                   | 1638699                   |
| <b>Net Surplus in the Statement of Profit &amp; Loss</b>                            | <b>229997582</b>          | <b>202165494</b>          |
| <b>Other Reserves</b>   |                           |                           |
| <b>Sales Tax Exemption</b>  |                           |                           |
| As per Last Balance Sheet   | 8309394                   | 8309394                   |
| Addition during the year  | 0                         | 0                         |
| <b>Balance at the end of the year</b>   | <b>8309394</b>            | <b>8309394</b>            |
| <b>Total in `</b>   | <b>263381316</b>          | <b>232049228</b>          |



# MOHINDRA FASTENERS LTD.

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### Note : 3 Long Term Borrowings

| Particulars  | Current Portion       | Non Current Portion   |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | As at 31st March,2015 | As at 31st March,2014 | As at 31st March,2015 | As at 31st March,2014 |
| <b>A) Secured</b>  |                       |                       |                       |                       |
| <b><u>Term Loans</u></b>   |                       |                       |                       |                       |
| - From Bank  |                       |                       |                       |                       |
| - Foreign Currency Loan (ECB)*   | 4650748               | 9477545               | 7234650               | 7824558               |
| - Indian Rupee Loan*   | 337287                | 635833                | 980375                | 100945                |
| <b>Total in `</b>  | <b>4988035</b>        | <b>10113378</b>       |                       |                       |
| Less :- Amount disclosed under the head Other Current Liabilities (Refer Note no. 7) | 4988035               | 10113378              |                       |                       |
| <b>Total in `</b>  | -                     | -                     | <b>8215025</b>        | <b>7925503</b>        |

a) \* The foreign Currency Term Loan (ECB) { (current year Rs. 118.85 Lacs) ( Previous Year Rs.173.02 Lacs) } arranged from overseas Bank against Plant & Machinery and letter of comfort has been issued by The Karnataka Bank Ltd under FLC will be retired by availing buyer credit and buyer credit shall be reduced by 60 Lacs on yearly basic in 3 years from the date of shipment of Capital Goods. The Vehicles loans from HDFC Bank and ICICI Bank are secured by hypothecation of respective vehicles.{ (current year is Rs.13.18 Lacs) ( Previous Year Rs.7.37 Lacs) }

#### a) Repayment profile of Term Loan secured is listed below :-

| Rate of Interest | Bank/Loan A/c No.     | Nature of Loan | FY-2015-2016     | FY-2016-2017   | FY-2017-2018     | FY-2018-2019   |
|------------------|-----------------------|----------------|------------------|----------------|------------------|----------------|
| L+80 BSP         | Foreign Currency Loan | ECB            | 4,650,748        | 0              | 7,234,650        | 0              |
| 10.35%           | HDFC/32055766         | Term Loan      | 244,625          | 294,190        | 325,669          | 360,516        |
| 12.50%           | ICICI/23295733        | Term Loan      | 56,745           | 0              | 0                | 0              |
| 10.60%           | ICICI/23884595        | Term Loan      | 35,917           | 0              | 0                | 0              |
| <b>Total</b>     |                       |                | <b>4,988,035</b> | <b>294,190</b> | <b>7,560,319</b> | <b>360,516</b> |

### Note : 4 Deferred Tax Liability (Net)

| Particulars                                    | As at 31st March, 2015 | As at 31st March, 2014 |
|--|------------------------|------------------------|
| Deferred Tax Liability Related to Fixed Assets | 28792173               | 29280633               |
| <b>Total in `</b>                              | <b>28792173</b>        | <b>29280633</b>        |

**Note : 5 Short Term Borrowings**

| Particulars                   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|-------------------------------|---------------------------|---------------------------|
| - From Karnataka Bank Ltd.    |                           |                           |
| - Working Capital Loans       |                           |                           |
| Indian Rupees Loan*           | 65666424                  | 57358381                  |
| Foreign Currency Loan (PCFC)* | 101741272                 | 99872314                  |
| Foreign Currency Loan (ECB)*  | 25087892                  | 1530950                   |
| <b>Total in `</b>             | <b>192495588</b>          | <b>158761645</b>          |

\*Note: Working Capital Facilities in Indian Currency and foreign currency from Karnataka Bank Ltd. are primarily secured by hypothecation of Stocks, Advances paid to Suppliers, Book Debts/Export Receivables of the Company and collaterally secured by the Factory Land & Building situated at 60th KM Stone, Delhi-Rohtak Road, Kharawar and Gandhra Distt. Rohtak, Haryana and personal guarantee by the directors Mr. Deepak Arneja, Mr. Ravindra Mohan Juneja, Mr. Sudhir Arneja, Mr. JP Singh Narang and Mr. Vinod kumar. The outstanding balance is repayable on demand and carries interest Libor+275 BSP & 12.25%

Foreign currency loan (ECB) Rs.250.87 Lacs (Prev. Year 15.30 Lacs ) arranged from overseas Bank for Raw Material and Letter of comfort has been issued by Karnataka Bank Limited and carrying interest Libor +52 BSP.

**Note : 6 Trade Payables**

| Particulars                        | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|------------------------------------|---------------------------|---------------------------|
| Micro, Small & Medium Enterprises* | -                         | -                         |
| Material/Supplies                  | 144390075                 | 175197134                 |
| Others                             | 33387901                  | 27420941                  |
| <b>Total in `</b>                  | <b>177777976</b>          | <b>202618075</b>          |

\* The details of amount outstanding to Micro , Small and Medium Enterprises based on available information with the company is as under:

| Particulars   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| Principal amount due and remaining unpaid                                 | 0                         | 0                         |
| Interest due on above and the unpaid interest                             | 0                         | 0                         |
| Intereest paid  | 0                         | 0                         |
| Payment made beyond the appointed day during the year                     | 0                         | 0                         |
| Interest due and payable for the period of delay                          | 0                         | 0                         |
| Interest accrued and remaining unpaid                                     | 0                         | 0                         |
| Amount of further interest remanining due and payable in succeeding years | 0                         | 0                         |

## MOHINDRA FASTENERS LTD.

### Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)

#### Note : 7 Other Current Liabilities

| Particulars   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| Current Maturities of Long-Term Borrowings (Refer Note No. 3) | 4988035                   | 10113378                  |
| Interest Accrued But Not Due on Borrowings                    | 91595                     | 77237                     |
| *Unclaimed Dividend   | 931955                    | 906014                    |
| Sundry Creditors for Capital Expenditures                     | 1023764                   | 2669989                   |
| Trade Advances  | 448586                    | 358669                    |
| <b>Other Payables</b>   |                           |                           |
| Statutory Dues  | 827041                    | 1028952                   |
| Salary,Wages, Bonus & Allowances                              | 7131889                   | 6683731                   |
| Provident Fund, ESI, & Other Funds                            | 456198                    | 360867                    |
| Other Expenses  | 230396                    | 17525                     |
| <b>Total in `</b>   | <b>16129458</b>           | <b>22216362</b>           |

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

#### Note : 8 Short Term Provisions

| Particulars                         | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|-------------------------------------|---------------------------|---------------------------|
| (a) Provision for Employee Benefits |                           |                           |
| - Provision for Bonus & Others      | 2,340,727                 | 2,135,655                 |
| (b) Provisions - Others             |                           |                           |
| - Provision for Income Tax          | 21700000                  | 20500000                  |
| - Proposed Dividend                 | 10713600                  | 9642240                   |
| - Dividend Distribution Tax         | 2181037                   | 1638699                   |
| - Provision For Wealth Tax          | 4499                      | 17933                     |
| - Others*                           | 13397854                  | 14263276                  |
| <b>Total in `</b>                   | <b>50337717</b>           | <b>48197803</b>           |

\* Note :- Provision - Others includes provision of Excise Duty on Inventory of Finished Goods & Scrap Amounting Rs 5122337/-(P.Y.Rs.5879629/-) as per estimated pattern of dispatch. The has recognised liability based on substantial degree payable on of estimation for the excise duty clearance of goods lying in stock as on 31st March, 2015.

## Note : 9 Fixed Assets

| Particulars                         | Gross Block                        |                                     |                                      | Depreciation & Amortisation  |                                    |                                     | Net Block                            |                              |                  |                  |
|-------------------------------------|------------------------------------|-------------------------------------|--------------------------------------|------------------------------|------------------------------------|-------------------------------------|--------------------------------------|------------------------------|------------------|------------------|
|                                     | Value at the beginning of the Year | Addition/Adjustment during the year | Deduction/Adjustment during the year | Value at the end of the Year | Value at the beginning of the Year | Addition/Adjustment during the year | Deduction/Adjustment during the year | Value at the end of the Year | As at 31.03.2015 | As at 31.03.2014 |
| <b>Own Assets</b>                   |                                    |                                     |                                      |                              |                                    |                                     |                                      |                              |                  |                  |
| <b>Tangible Assets</b>              |                                    |                                     |                                      |                              |                                    |                                     |                                      |                              |                  |                  |
| Industrial Freehold Land            | 5896898                            | -                                   | -                                    | 5896898                      | -                                  | -                                   | -                                    | -                            | 5896898          | 5896898          |
| Leasehold Office Premises           | 5858863                            | -                                   | -                                    | 5858863                      | -                                  | -                                   | -                                    | 987326                       | 4871537          | 4963611          |
| Factory Building                    | 65173060                           | 2148511                             | -                                    | 67321571                     | 20445546                           | 2015901                             | -                                    | 22461447                     | 44860124         | 44727514         |
| Plant & Machinery                   | 417896337                          | 15223609                            | -                                    | 433119946                    | 248974315                          | 19826960                            | -                                    | 268801275                    | 164318671        | 168922022        |
| Pollution Control Equipments        | 7751262                            | 666388                              | -                                    | 8417650                      | 3513001                            | 596072                              | -                                    | 4109073                      | 4308577          | 4238261          |
| Furniture & Fixtures                | 7599173                            | 454886                              | -                                    | 8054059                      | 3709670                            | 843803                              | -                                    | 4553473                      | 3500586          | 3889503          |
| Vehicle                             | 19834805                           | 1440000                             | 8555061                              | 12719744                     | 9761436                            | 2545749                             | 5898430                              | 6408755                      | 6310989          | 10073369         |
| Office Equipments                   | 4608609                            | 1078252                             | -                                    | 5686861                      | 2446629                            | 602030                              | -                                    | 3048659                      | 2638202          | 2161980          |
| Computers                           | 9591869                            | 51050                               | -                                    | 9642919                      | 5181836                            | 1361317                             | -                                    | 6543153                      | 3099766          | 4410033          |
| <b>SUB TOTAL (A)</b>                | <b>544210876</b>                   | <b>21062696</b>                     | <b>8555061</b>                       | <b>556718511</b>             | <b>294927685</b>                   | <b>27883905</b>                     | <b>5898430</b>                       | <b>316913161</b>             | <b>239805350</b> | <b>249283191</b> |
| <b>Intangible Assets</b>            |                                    |                                     |                                      |                              |                                    |                                     |                                      |                              |                  |                  |
| Computer Software                   | 2980109                            | 253605                              | -                                    | 3233714                      | 696600                             | 28070                               | -                                    | 724670                       | 2509044          | 2283509          |
| <b>SUB TOTAL (B)</b>                | <b>2980109</b>                     | <b>253605</b>                       | <b>-</b>                             | <b>3233714</b>               | <b>696600</b>                      | <b>28070</b>                        | <b>-</b>                             | <b>724670</b>                | <b>2509044</b>   | <b>2283509</b>   |
| <b>Total [A + B] (Current Year)</b> | <b>547190985</b>                   | <b>21316301</b>                     | <b>8555061</b>                       | <b>559952225</b>             | <b>295624285</b>                   | <b>27911975</b>                     | <b>5898430</b>                       | <b>317637831</b>             | <b>242314394</b> | <b>251566700</b> |
| <b>(Previous Year)</b>              | <b>515852926</b>                   | <b>34599323</b>                     | <b>3261264</b>                       | <b>547190985</b>             | <b>266304213</b>                   | <b>31210764</b>                     | <b>1890692</b>                       | <b>295624285</b>             | <b>251566700</b> | <b>249548713</b> |
| <b>Capital Work-in-progress</b>     | <b>6307446</b>                     | <b>27177571</b>                     | <b>232446</b>                        | <b>33252571</b>              | <b>-</b>                           | <b>-</b>                            | <b>-</b>                             | <b>-</b>                     | <b>33252571</b>  | <b>6307446</b>   |
| <b>SUB TOTAL (C) {Current Year}</b> | <b>6307446</b>                     | <b>27177571</b>                     | <b>232446</b>                        | <b>33252571</b>              | <b>-</b>                           | <b>-</b>                            | <b>-</b>                             | <b>-</b>                     | <b>33252571</b>  | <b>6307446</b>   |
| <b>(Previous Year)</b>              | <b>-</b>                           | <b>6307446</b>                      | <b>-</b>                             | <b>6307446</b>               | <b>-</b>                           | <b>-</b>                            | <b>-</b>                             | <b>-</b>                     | <b>6307446</b>   | <b>-</b>         |
| <b>Total (A + B + C)</b>            | <b>553498431</b>                   | <b>48493872</b>                     | <b>8787507</b>                       | <b>593204796</b>             | <b>295624285</b>                   | <b>27911975</b>                     | <b>5898430</b>                       | <b>317637831</b>             | <b>275566965</b> | <b>257874146</b> |

## NOTE:

1. Depreciation has been provided on rates as per Schedule II of Companies Act, 2013 on Straight Line Method.
2. Capital WIP includes amount of Rs.3,10,53,137/- (P.Y. Rs. 6075000/-) as Allotment Money with Installment paid to HSIIDC for purchase of land at IMT Rohtak.
3. Leasehold Office premises are in respect of office at Delhi.

## MOHINDRA FASTENERS LTD.

### Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)

#### Note : 10 Non Current Investments

| Particulars   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| <b><u>Other Investments</u></b><br>(Valued at Cost unless stated Otherwise)               |                           |                           |
| <b>Investment in Equity Instruments</b>   |                           |                           |
| <b>(Quoted)</b>   |                           |                           |
| 1800 Equity Shares of Rs. 10/- each in<br>(1800) Bank of India (Fully paid)               | 81000                     | 81000                     |
| 600 Equity Shares of Rs. 10/- each in<br>(600) Sterling Tools Limited ( Fully Paid )      | 24891                     | 24891                     |
| 400 Equity Shares of Re. 1/- each in<br>(400) Sundram Fasteners Limited (Fully Paid)      | 18904                     | 18904                     |
| 150 Equity Shares of Rs. 10/- each in<br>(150) Lakshmi Precision Screws Ltd. (Fully Paid) | 2822                      | 2822                      |
|   | <b>127617</b>             | <b>127617</b>             |
| <b>(Unquoted)</b>   |                           |                           |
| 1000 Equity Shares of Rs. 10/-<br>(1000) each in Elegant Footwear Ltd. (Fully Paid up)    | 10000                     | 10000                     |
|   | <b>10000</b>              | <b>10000</b>              |
| <b>Total in `</b>   | <b>137617</b>             | <b>137617</b>             |

#### Note :-

|  |        |        |
|--|--------|--------|
| 1. All Investments are Long Term Investments |        |        |
| 2. Aggregate Value of Quoted Investment      |        |        |
| - Book Value                                 | 127617 | 127617 |
| - Market Value                               | 593410 | 512530 |
| 3. Aggregate Value of Unquoted Investment    |        |        |
| - Book Value                                 | 10000  | 10000  |
| - Market Value                               | 0      | 0      |

Note : Figures in ( ) are in respect of previous year

#### Note : 11 Long Term Loans and Advances

| Particulars                         | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|-------------------------------------|---------------------------|---------------------------|
| <b>(Unsecured, considered good)</b> |                           |                           |
| Security Deposits                   | 8859544                   | 8498436                   |
| <b>Total in `</b>                   | <b>8859544</b>            | <b>8498436</b>            |

**Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**Note : 12 Other Non Current Assets**

| Particulars  | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|--|---------------------------|---------------------------|
| Defined Benefits Plans - Leave Encashment and Gratuity | 299246                    | 1498513                   |
| <b>Total in `</b>                                      | <b>299246</b>             | <b>1498513</b>            |

**Note : 13 Inventories**

| Particulars                                   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| Raw Material                                  | 97869255                  | 80557588                  |
| Work-in-Progress                              | 39893640                  | 25380333                  |
| Finished Goods                                | 45667508                  | 44620395                  |
| Consumables,Stores, Spares & Packing Material | 59119260                  | 46117304                  |
| Scrap   | 433519                    | 109663                    |
| Goods-in-Transit                              | 8281785                   | 4705228                   |
| <b>Total in `</b>                             | <b>251264967</b>          | <b>201490511</b>          |

Note 1. :- Goods in Transit includes the followings :-

|   |                |                |
|---|----------------|----------------|
| Raw Material                                  | 7758017        | 3575480        |
| Consumables,Stores, Spares & Packing Material | 454781         | 273964         |
| Tool & Dies                                   | 68987          | 855784         |
| <b>Total Goods in Transit</b>                 | <b>8281785</b> | <b>4705228</b> |

Note 2. :- Inventories lying with third parties are subject to confirmation. The details are as follows:-

|                  |            |            |
|------------------|------------|------------|
| Raw Material     | 6.58 Lacs  | 1.84 Lacs  |
| Work in Progress | 48.12 Lacs | 28.07 Lacs |

**Note : 14 Trade Receivables**

| Particulars                          | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|--------------------------------------|---------------------------|---------------------------|
| ( Unsecured , Considered good)       |                           |                           |
| Outstanding for more than six months | 3018951                   | 4935950                   |
| Others                               | 155293348                 | 163932199                 |
| <b>Total in `</b>                    | <b>158312299</b>          | <b>168868149</b>          |

**MOHINDRA FASTENERS LTD.****Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)****Note : 15 Cash & Cash Equivalents**

| Particulars                                   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| Cash on Hand                                  | 430986                    | 644617                    |
| Overseas Branch (EEFC-EURO & USD)             | 0                         | 22699                     |
| Balances with Banks (Current Account)         | 904413                    | 3220545                   |
| Balances with Banks (Unpaid Dividend Account) | 931955                    | 906014                    |
| Fixed Deposit with Bank*                      | 15794609                  | 15526798                  |
| <b>Total in `</b>                             | <b>18061962</b>           | <b>20320673</b>           |

**Notes:-**

\* (a) Fixed Deposits Amounting to Rs.157.95 Lacs (P.Y. Rs.155.27 lacs) pledged with bank as Margin Money for Letter of Credit issued by them.

\* (b) Fixed Deposit with bank includes deposits of Rs.15.70 Lacs ( P.Y. Rs.142.16 Lacs) with maturity of more than 12 months.

**Note :16 Short Terms Loans and Advances**

| Particulars  | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|--|---------------------------|---------------------------|
| (Unsecured , Considered Good)                                |                           |                           |
| Advance to Suppliers   | 2190338                   | 1937391                   |
| Advance to Employees   | 1367985                   | 737506                    |
| Advance Income Tax (Including TDS Rs.189385/-)(P.Y.415675/-) | 20189385                  | 20415675                  |
| Balance With Revenue Authorities                             | 51729880                  | 70881525                  |
| Security Deposits  | 412450                    | 351945                    |
| Advance to Others  | 1192397                   | 811800                    |
| <b>Total in `</b>  | <b>77082435</b>           | <b>95135842</b>           |

**Note :17 Other Current Assets**

| Particulars                      | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|----------------------------------|---------------------------|---------------------------|
| Interest Accrued But Not Yet Due | 286251                    | 265224                    |
| Other Current Assets             | 825966                    | 528138                    |
| <b>Total in `</b>                | <b>1112217</b>            | <b>793362</b>             |

**Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**Note : 18 Revenue from Operations**

| Particulars                             | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| <b>a) Sale of Products</b>              |                           |                           |
| Finished Product (Bolts & Screws)       | 951484412                 | 942737789                 |
|   | 951484412                 | 942737789                 |
| <b>b) Other Operating Revenue</b>       |                           |                           |
| Steel & Scrap Sale                      | 11077065                  | 15821615                  |
| Duty Drawback & Other Export Incentives | 40516769                  | 46122387                  |
|   | 51593834                  | 61944002                  |
| Less: Excise Duty                       | 76907682                  | 86964793                  |
| <b>Total in `</b>                       | <b>926170564</b>          | <b>917716998</b>          |

**Note : 19 Other Income**

| Particulars   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| Interest on   |                           |                           |
| - Fixed Deposits  | 1893838                   | 4156710                   |
| Dividend Income on Long Term Investments  | 3740                      | 30720                     |
| Exchange Rate Difference (Net)<br>(Including Gain on Forward Exchange Contract) | 20878614                  | 0                         |
| Other Non Operating Income  | 316061                    | 165561                    |
| <b>Total in `</b>   | <b>23092253</b>           | <b>4352991</b>            |

**Note : 20 Cost of Material Consumed**

| Particulars                            | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|--|---------------------------|---------------------------|
| Inventory at the Beginning of the Year | 80557588                  | 55795428                  |
| Purchases                              | 412067548                 | 412438886                 |
|  | 492625136                 | 468234314                 |
| Inventory at the End of the Year       | 97869255                  | 80557588                  |
| <b>Total in `</b>                      | <b>394755881</b>          | <b>387676726</b>          |

Material Consumed Comprises:

|             |           |           |
|-------------|-----------|-----------|
| - Wire Rods | 394755881 | 387676726 |
|-------------|-----------|-----------|



**MOHINDRA FASTENERS LTD.****Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)****Note : 21 Change in Inventories of Finished Goods, Work in Progress & Stock in Trade**

| Particulars                                   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| <b>Inventory at the Beginning of the Year</b> |                           |                           |
| Finished Goods                                | 44730058                  | 32221657                  |
| Work In progress                              | 25380333                  | 33455722                  |
|   | <b>70110391</b>           | <b>65677379</b>           |
| <b>Inventory at the End of the Year</b>       |                           |                           |
| Finished Goods                                | 46101027                  | 44730058                  |
| Work In progress                              | 39893640                  | 25380333                  |
|   | <b>85994667</b>           | <b>70110391</b>           |
| <b>(Increase)/Decrease in Inventory</b>       | <b>(15884276)</b>         | <b>(4433012)</b>          |

Note: Excise Duty on Increase/(Decrease) in Inventory of Finished Goods amounting to Rs(757292/-) (P.Y.Rs.2335132/-) has been considered as Income/Expenses in Profit & Loss account in Note 25 of Financial Statement.

**Note : 22 Employee Benefit Expense**

| Particulars                         | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|-------------------------------------|---------------------------|---------------------------|
| Salaries, Wages, Bonus & Allowances | 136366629                 | 117518034                 |
| Contribution to -                   |                           |                           |
| (i) Provident Fund & Other Funds    | 5680723                   | 3155591                   |
| Staff Welfare Expenses              | 3726981                   | 3507063                   |
| <b>Total in `</b>                   | <b>145774333</b>          | <b>124180688</b>          |

**Note : 23 Finance Cost**

| Particulars           | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|-----------------------|---------------------------|---------------------------|
| Interest Expenses     | 9921370                   | 13927435                  |
| Other Borrowing Costs | 5290880                   | 3926211                   |
| <b>Total in `</b>     | <b>15212250</b>           | <b>17853646</b>           |

**Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**Note : 24 Depreciation & Amortisation Expense**

| Particulars                 | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|-----------------------------|---------------------------|---------------------------|
| Depreciation & Amortization | 27911975                  | 31210764                  |
| <b>Total in `</b>           | <b>27911975</b>           | <b>31210764</b>           |

**Note : 25 Other Expenses**

| Particulars   | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|---|---------------------------|---------------------------|
| Consumption of Stores & Spare Parts                   | 102916733                 | 86618518                  |
| Increase/ (Decrease) in Excise Duty on Finished Goods | (757292)                  | 2335132                   |
| Power & Fuel Consumed                                 | 80251125                  | 71991536                  |
| Factory Building Maintenance                          | 2039587                   | 1313691                   |
| Repair & Maintenance to Plant & Machinery             | 7966237                   | 5548395                   |
| Insurance Expenses                                    | 2638751                   | 1692036                   |
| Rates,Taxes & Duties                                  | 1676817                   | 1722058                   |
| Job Work Expenses                                     | 36105013                  | 22119763                  |
| Packing Material Consumed                             | 25847610                  | 22729064                  |
| Freight Outward                                       | 34887055                  | 25147460                  |
| Rebate & Discount                                     | 12572539                  | 9542604                   |
| (Profit) /Loss on Sale of Fixed Assets                | 846631                    | 482572                    |
| Payment to Auditors*                                  | 340460                    | 258908                    |
| Exchange Rate Difference(Net)                         | 0                         | 12752871                  |
| Forward Contract Agst.Eexport                         | 681483                    | 24167517                  |
| Miscellaneous Expenses                                | 7723415                   | 12016410                  |
| <b>Total in `</b>                                     | <b>315736164</b>          | <b>300438535</b>          |

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

| Particulars                 | As at 31st<br>March, 2015 | As at 31st<br>March, 2014 |
|-----------------------------|---------------------------|---------------------------|
| - Statutory Audit Fees      | 135000                    | 125000                    |
| - Tax Audit Fees            | 35000                     | 30000                     |
| - Internal Audit Fees       | 30000                     | 0                         |
| - Secretarial Audit Fees    | 30000                     | 0                         |
| - Cost Audit Fees           | 30000                     | 30000                     |
| - Certification Fees        | 25000                     | 20000                     |
| - Reimbursement of Expenses | 55460                     | 53908                     |
|                             | 340460                    | 258908                    |

# MOHINDRA FASTENERS LTD.

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)

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### **Note: 26 Accounting policies / compliance of Accounting Standards issued by the Institute of Chartered Accountants of India**

#### **(1) AS 1: Disclosure of accounting policies**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention.

#### **(2) AS 2: Valuation of inventories**

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

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

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

Scraps are valued at net realizable value.

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

#### **(3) AS 3: Cash flow statements**

Indirect Method is used for preparing the Cash Flow Statement as prescribed in Accounting Standard (AS)-3.

#### **(4) AS 4: Contingencies and Events occurring after the Balance Sheet date**

There are no significant events occurring after the Balance Sheet date that materially affect the financial statements for the current year.

#### **(5) AS 5: Net profit or loss for the period, prior period items and changes in accounting policies**

All items of income and expense in the period are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard. There is no, prior period items and, changes in accounting policies take place during the year

#### **(6) AS 6: Depreciation Accounting**

##### **Tangible Assets**

Depreciation on fixed assets is provided on the Straight Line Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. In respect of additions or extensions forming an integral part of existing assets including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets, depreciation is provided as aforesaid over the residual life of the respective assets.

**Intangible Assets**

These are amortized as under:-

| Particulars       | Amortization               |
|-------------------|----------------------------|
| Computer Software | over the period of 5 years |

**(7) AS 7: Accounting for Construction Contracts**

The above standard is not applicable to the Company as it is not engaged in the business of construction.

**(8) AS 8: Accounting for Research and Development**

This Standard was withdrawn with effect from 1-4-2003 consequent to Accounting Standard AS 26 on Accounting for Intangible Assets becoming mandatory.

**(9) AS 9: Revenue recognition**

Income of the company is derived from sale of products and includes excise duty and is net of sales returns, trade and cash discounts.

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer, it can be reliably measured and it is reasonable to expect ultimate collection.

Domestic Sales are recognized on the basis of invoices raised and includes excise duty exclude sales tax/ VAT, sales return and adjustment for discount if any,

Export Sales are recognized on the basis of sales invoices raised and removal of goods from the factory premises. Duty draw back are recognized on the basis of export invoice issued and removal of goods from the factory.

Export benefits are recognised on pre shipment basis.

Interest incomes are recognised using the time proportion method based on the rates implicit in the transaction.

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

**(10) AS 10: Accounting for fixed assets**
**TANGIBLE FIXED ASSETS**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

## **MOHINDRA FASTENERS LTD.**

### **Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)**

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#### **(11) AS 11: Accounting for the effects of changes in foreign exchange rates**

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

Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss, except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

#### **(12) AS 12: Accounting for Government grants**

Capital Subsidies, which is not relating to any specific fixed asset, received from state governments for setting up new projects are accounted as capital reserve.

The company has not received any grant from Government during the year.

#### **(13) AS 13: Accounting for Investments**

(a) Current investments are carried at the lower of cost or quoted/fair value, computed category wise. Long term investments are stated at cost. Provisions for diminution in the value of long investments are made only if such a decline is other than temporary. However all the investments are classified as Long Term Investment.

**(b) The investments have been held by the Company in its own name.**

#### **(14) AS 14: Accounting for amalgamations**

This standard is not applicable as there was no amalgamation during the year.

#### **(15) AS 15: Accounting for Employee Benefits**

##### **Short term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

##### **Post-employment benefits**

##### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined benefit plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

**(16) AS 16: Borrowing costs**

Interest on borrowings to finance fixed assets are capitalised only if the borrowing costs are attributable to the acquisition of fixed assets that take a substantial period of time to get ready for its intended use. Expenditure incurred on alteration / temporary constructions is charged off as expenditure under appropriate heads of expenditure in Statement of Profit and Loss in the year in which it is incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

There is no borrowing cost capitalised during the year.

**(17) AS 17: Segment reporting**

The Company operates in the same segment which is subject to similar risks and returns.

**(18) AS 18: Related party disclosures**

Disclosures of transactions with the related parties as defined in the Accounting Standard are given in Note no.28 of the notes to accounts

**(19) AS 19: Accounting for Leases**

The Company has not entered into any lease agreement.

**(20) AS 20: Earnings per share**

Basic earnings per share are disclosed in the Profit and loss Account. Basic earnings per shares is computed and disclosed using the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive. There is no diluted earnings per share as there are no dilutive potential equity shares.

**(21) AS 21: Consolidated financial statements**

The above standard is not applicable to the company as it does not have any subsidiary company.

**(22) AS 22: Accounting for taxes on income**

Tax expense comprises of current and deferred. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Indian Income tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The company reviews carrying amount of deferred tax assets at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

## **MOHINDRA FASTENERS LTD.**

### **Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)**

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#### **(23) AS 23: Accounting for Investments in associates in Consolidated Financial Statements**

The above standard is not applicable to the Company.

#### **(24) AS 24: Discontinuing Operations**

The Company has not discontinued any operations during the year.

#### **(25) AS 25: Interim Financial Reporting**

Quarterly financial results are published in accordance with the guidelines given by SEBI. The recognition and measurement principles as laid down in the standard are followed with respect to such results. The Quarterly results are also subject to a limited review by the auditors as required by SEBI.

#### **(26) AS 26: Intangible Assets**

Intangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of intangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

#### **(27) AS 27: Financial Reporting of Interests in Joint Ventures**

The above standard is not applicable to the Company.

#### **(28) AS 28: Impairment of Assets**

At the Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **(29) AS 29: Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in point no. 27 of notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

#### **(30) AS 30: Financial Instruments: Recognition and Measurement**

- a) AS 30 was issued by the Institute of Chartered Accountants of India (ICAI) in 2007 but has not yet been notified by the Government under Section 133 of the Companies Act, 2013.
- b) The Institute of Chartered Accountants of India has clarified that to the extent of accounting treatments covered by any of the existing notified accounting standards (for eg. AS 11, AS -13 etc.) the existing accounting standards would continue to prevail over AS 30.
- c) Since the company follows the accounting treatment specified in the AS 30 through the accounting treatment under existing accounting standards i.e AS 11 & AS 13 etc, AS 30 is not followed.

**NOTE: 27 Contingent Liabilities and Commitments (to the extent not provided for):**

- a) Liabilities on account of foreign letter of credit are Rs.168.59 Lacs (Previous year Rs.62.40 Lacs).
- b) Estimated amount of contract remaining to be executed on capital account are Rs. 413.47 Lacs (Previous year Rs.569.32 Lacs).
- c) Outstanding Bank Guarantee of Rs. 29.74 Lacs (Previous year Rs.22.47 Lacs) on account of re-export bond to the custom.

**NOTE: 28 Related party disclosure as per Accounting Standard 18**

a) **Parties where control exists: NIL**

b) **Other parties with whom the company has entered into transactions during the year:-**

i) **Key Management Personnel**

Mr. Deepak Arneja - Managing Director & CEO

Mr. Ravinder Mohan Juneja- Managing Director

Mr. Sudhir Arneja - Whole-Time Director

ii) **Relatives of Key Management Personnel**

Mr. Dheeraj Juneja - Son of Mr. Ravinder Mohan Juneja

Mr. Prateek Arneja - Son of Mr. Sudhir Arneja

iii) **Enterprises over which key management personnel and relatives of such personnel exercise significant influence:-**

Mohindra Sales Private Limited

**c) Related Party Transactions:**
**(Amount in Rs.)**

| Nature of Transaction                                | Key Management Personnel & Relatives | Enterprises over which Key management personnel and relatives exercise significant influence | Total (amount in Rs.)  |
|--|--------------------------------------|--|------------------------|
| Sale of Goods  | -                                    | 12273698<br>(13171544)   | 12273698<br>(13171544) |
| Remuneration   | 8569200<br>(7783680)                 | -<br>-   | 8569200<br>(7783680)   |
| <b>Balance outstanding as at the end of the year</b> |                                      |  |                        |
| Remuneration   | 784700                               | -  | 784700                 |
| Payable  | (717840)                             | -  | (717840)               |
| Trade Receivable                                     | -                                    | 3271446<br>(7697132)   | 3271446<br>(7697132)   |



# MOHINDRA FASTENERS LTD.

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)

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

(Amount in Rs.)

| Particulars   | Relationship   | 2014-15  | 2013-14  |
|---|--|----------|----------|
| <b>a) Sale of Goods</b>                                 |  |          |          |
| 1. Mohindra Sales Private limited                       | Enterprise over which KMP and relatives of such personnel exercise significant influence | 12273698 | 13171544 |
| <b>b) Payment to Key Managerial Personnel/Relatives</b> |  |          |          |
| 1. Deepak Arneja  | Key Managerial Personnel   | 2114400  | 1955760  |
| 2. Ravinder Mohan Juneja                                | Key Managerial Personnel   | 2198400  | 2030400  |
| 3. Sudhir Arneja  | Key Managerial Personnel   | 1449600  | 1332000  |
| 4. Dheeraj Juneja                                       | Relative of Key Managerial Personnel   | 1418400  | 1247760  |
| 5. Prateek Arneja                                       | Relative of Key Managerial Personnel   | 1388400  | 1217760  |
| <b>Balance outstanding as at the end of the year</b>    |  |          |          |
| <b>Trade Receivable</b>                                 |  |          |          |
| 1. Mohindra Sales Private limited                       | Enterprise over which KMP and relatives of such personnel exercise significant influence | 3271446  | 7697132  |
| <b>Remuneration Payable</b>                             |  |          |          |
| 1. Ravinder Mohan Juneja                                | Key Managerial Personnel   | 203900   | 189900   |
| 2. Deepak Arneja  | Key Managerial Personnel   | 189900   | 176680   |
| 3. Sudhir Arneja  | Key Managerial Personnel   | 136600   | 125400   |
| 4. Dheeraj Juneja                                       | Relative of Key Managerial Personnel   | 128400   | 114180   |
| 5. Prateek Arneja                                       | Relative of Key Managerial Personnel   | 125900   | 111680   |

### NOTE: 29 The Computation of Earnings per Share: -

(Amount in Rs.)

| Particulars                              | 2014-15  | 2013-14  |
|--|----------|----------|
| Profit after tax for the year (Rs.)      | 44544950 | 44254455 |
| Weighted Average Number of Equity shares | 5356800  | 5356800  |
| Basic & Diluted Earnings per share       | 8.32     | 8.26     |
| Face Value of equity share (Rs.)         | 10.00    | 10.00    |

### NOTE: 30 Disclosure in respect of Derivative Instruments:-

a) Derivates Instruments (Forward Exchange Contract) against Export entered by the Company and outstanding as on 31<sup>st</sup> March, 2015 amount to Rs. Nil (previous year EURO 4.00 Lacs) for sell in Rs. Nil (Previous year Rs.327.52 Lacs). All the instruments have been acquired for hedging purpose and not for trading or speculative purpose.

b) Foreign currency exposures that are not hedged by derivative instruments as at 31 March, 2015:-

**Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**NOTE: 30 Disclosure in respect of Derivative Instruments:-**

| Particulars                 | USD                             | EURO                              | GBP                           |
|-----------------------------|---------------------------------|-----------------------------------|-------------------------------|
| Import Trade Payables       | <b>728928.76</b><br>(183093.14) | <b>110378.90</b><br>(-)           | -<br>( - )                    |
| Export Trade Receivables    | <b>175691.70</b><br>(149756.47) | <b>585225.18</b><br>(716422.29)   | <b>54354.76</b><br>(75031.79) |
| Term Loan (ECB)             | <b>188927</b><br>(286696)       | -<br>(-)                          | -<br>(-)                      |
| Working Capital Loan (ECB)  | <b>398790</b><br>(25367.85)     | Nil<br>Nil                        | Nil<br>Nil                    |
| Working Capital Loan (PCFC) | -<br>(-)                        | <b>1492902.01</b><br>(1199091.30) | -<br>(-)                      |

**NOTE: 31** As per Accounting Standard 15 " Employee Benefits ", disclosures of Employee benefits as defined in Accounting Standard are given below:

**Defined Contribution Plan:**

Contributions to Defined Contribution plan, recognized as expense for the year are as under:-

(Rs. in Thousand)

| Particulars  | 2014-15 | 2013-14 |
|--|---------|---------|
| Employer's Contribution to Provident Fund and Pension scheme | 3198.06 | 2446.54 |

**Defined Benefit Plan: Gratuity**

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

**(i) Reconciliation of opening and closing balances of Defined Benefit Obligation.**

(Rs. in Thousand)

| Particulars   | Gratuity |         | Leave Encashment |         |
|---|----------|---------|------------------|---------|
|   | 2014-15  | 2013-14 | 2014-15          | 2013-14 |
| Defined Benefit Obligation at the Beginning of the year | 6922     | 5871    | 4740             | 3223    |
| Current Service cost                                    | 745      | 836     | 2014             | 339     |
| Adjustment of previous year                             | -        | -       | -                | -       |
| Interest cost   | 554      | 469     | 379              | 257     |
| Actuarial (gain)/loss                                   | 1902     | 31      | (1435)           | 1134    |
| Benefits paid   | (1737)   | (286)   | (787)            | (215)   |
| Defined Benefit Obligation at the year end              | 8386     | 6922    | 4912             | 4740    |

# MOHINDRA FASTENERS LTD.

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### (ii) Reconciliation of opening and closing balances of fair value of plan assets

(Rs. in Thousand)

| Particulars  | Gratuity |         | Leave Encashment |         |
|--|----------|---------|------------------|---------|
|  | 2014-15  | 2013-14 | 2014-15          | 2013-14 |
| Fair value of Plan Assets at the Beginning of the year | 8542     | 7269    | 4614             | 4058    |
| Expected return on plan assets                         | 717      | 628     | 452              | 347     |
| Actuarial gain/loss                                    | -        | -       | -                | -       |
| Employer contribution                                  | 2043     | 931     | 0                | 424     |
| Benefits paid  | (1737)   | (286)   | (787)            | (215)   |
| Fair value of plan assets at year end                  | 9565     | 8542    | 4279             | 4614    |

### (iii) Reconciliation of fair value of Assets and obligations

(Rs. in Thousand)

| Particulars                        | Gratuity |         | Leave Encashment |         |
|------------------------------------|----------|---------|------------------|---------|
|                                    | 2014-15  | 2013-14 | 2014-15          | 2013-14 |
| Fair value of plan assets          | 9565     | 8542    | 4279             | 4614    |
| Present value of obligation        | 8385     | 6922    | 4912             | 4740    |
| Amount recognized in Balance sheet | 1180     | 1619    | (632)            | 125     |

### (iv) Expense recognized during the year

(Rs. in Thousand)

| Particulars                    | Gratuity |         | Leave Encashment |         |
|--------------------------------|----------|---------|------------------|---------|
|                                | 2014-15  | 2013-14 | 2014-15          | 2013-14 |
| Service cost                   | 744      | 836     | 2014             | 339     |
| Interest cost                  | 553      | 469     | 379              | 257     |
| Expected return on plan assets | (717)    | (628)   | (452)            | (347)   |
| Actuarial (Gain)/loss          | 1901     | 31      | (1435)           | 1134    |
| Net Cost                       | 2482     | 709     | 506              | 1384    |

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

#### Actuarial assumptions

| Particulars  | Gratuity              |                       | Leave Encashment      |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2014-15               | 2013-14               | 2014-15               | 2013-14               |
| Mortality table (LIC)                              | 2006-08<br>(Ultimate) | 2006-08<br>(Ultimate) | 2006-08<br>(Ultimate) | 2006-08<br>(Ultimate) |
| Discount rate (per annum)                          | 8%                    | 8%                    | 8%                    | 8%                    |
| Expected rate of return on plan assets (per annum) | -                     | -                     | -                     | -                     |
| Rate of escalation in salary (per annum)           | 6%                    | 6%                    | 7%                    | 6%                    |

**Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)**

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

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

**NOTE: 32** Value of imported and indigenous Raw Material, Store and Spare parts and packing material consumed and percentage of each to the total consumption as Certified by the management:-

| Item   | 2014-15<br>Value (Rs.) | 2013-14<br>% age | 2014-15<br>Value (Rs.) | 2013-14<br>% age |
|--|------------------------|------------------|------------------------|------------------|
| <b>Raw Material</b>                                    |                        |                  |                        |                  |
| Imported   | 105875836              | 26.82            | 95332655               | 24.59            |
| Indigenous   | 288880044              | 73.18            | 292344071              | 75.41            |
|  | <b>394755880</b>       | <b>100.00</b>    | <b>387676726</b>       | <b>100.00</b>    |
| <b><u>Stores, Spare parts and Packing Material</u></b> |                        |                  |                        |                  |
| Imported   | 15997348               | 11.70            | 12326710               | 11.27            |
| Indigenous   | 120733232              | 88.30            | 97020872               | 88.73            |
|  | <b>136730580</b>       | <b>100.00</b>    | <b>109348582</b>       | <b>100.00</b>    |

**NOTE: 33 C.I.F. Value of Imports**

| Particulars                  | 2014-15<br>(Rs.) | 2013-14<br>(Rs.) |
|------------------------------|------------------|------------------|
| Plant & Machinery            | 8336604          | 9501883          |
| Raw Material                 | 106462205        | 63227569         |
| Consumables, Stores & Spares | 7492731          | 1876092          |
| Packing Material             | 7942489          | 6682527          |
| Tool & Dies                  | 3988939          | 4207899          |
| R & D                        | 0                | 1190747          |

**NOTE: 34 Expenditure in Foreign Currency**

| Particulars                          | 2014-15<br>(Rs.) | 2013-14<br>(Rs.) |
|--------------------------------------|------------------|------------------|
| - Travelling Expenses                | 1286149          | 985991           |
| - Business Promotion & Advertisement | 693963           | 270410           |
| - Interest on ECB                    | 298432           | 212592           |
| - Bank Charges                       | 116266           | 108853           |
| - Interest on PCFC                   | 2847926          | 3118480          |

## MOHINDRA FASTENERS LTD.

### Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)

#### NOTE: 35 Earning in Foreign Currency

| Particulars          | 2014-15<br>(Rs.) | 2013-14<br>(Rs.) |
|----------------------|------------------|------------------|
| Exports at FOB Value | 511050166        | 501679817        |

**NOTE: 36** Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification/disclosure. This adoption does not impact recognition and measurement principles followed for preparation of financial statements as at 31st March, 2015.

As per our report of even date

For **GSK & Associates LLP**  
**Chartered Accountants**  
**FRN :013838N/N500003**

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

Sd/-  
**Anil Somani**  
(Designated Partner)  
M.No. 093521

Sd/-  
**Sunil Mishra**  
(Chief Financial Officer)

Sd/-  
**Ravinder Mohan Juneja**  
(Managing Director)  
DIN:- 00006496

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

Place : New Delhi  
Date : 31.07.2015

Sd/-  
**Asha Mittal**  
(Company Secretary)