



FASTENING REDEFINED

## **MOHINDRA FASTENERS LIMITED**

Reg. Office:

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

CIN: L74899DL1995PLC064215

Website: [www.mohindra.asia](http://www.mohindra.asia)

E-mail: [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia)

### **27<sup>th</sup> (TWENTY SEVENTH) ANNUAL GENERAL MEETING**

**DATE : THURSDAY, 23<sup>rd</sup> SEPTEMBER, 2021**

**TIME : 11.30 AM**

**TO BE CONVENED THROUGH VC/OAVM**

<b>CONTENTS</b>	
The MFL's Board of Directors	3
Corporate Information-MFL	4
Message from the Chairman	5-6
Notice of 27th Annual General Meeting	7-21
Board of Directors' Report	22-35
Corporate Governance Report	36-56
<b>Annexure to the Board's Report:-</b>	
Annexure I – Particulars of Employees	57-59
Annexure II – Declaration of Independence	60-65
Annexure III – Secretarial Audit Report in Form MR-3	66-69
Annexure IV – Particulars of Contracts or arrangements in Form AOC-2	70
Annexure V – Report of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.	71-73
Annexure VI – Annual Report on CSR Activities	74-76
Annexure VII – Management Discussion and Analysis Report	77-84
<b>Annexure to the Corporate Governance Report :-</b>	
CEO and CFO Certification (Annexure "A")	85
Independent Auditor's Certificate on Corporate Governance (Annexure "B" )	86
Declaration on 'The Code of Conduct' (Annexure "C")	87
Certificate from Practicing Company Secretary on Non-Disqualification of Directors (Annexure "D")	88
Independent Auditor's Report	89-98
Financial Statements	99-102
Notes to the Financial Statements	103-138



Fastening Redefined  
**MOHINDRA FASTENERS LIMITED**

Reg. Office:  
304 GUPTA ARCADE, INDER ENCLAVE,  
DELHI-ROHTAK ROAD, DELHI- 110087  
CIN: L74899DL1995PLC064215  
Website: [www.mohindra.asia](http://www.mohindra.asia)  
E-mail: [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia)

### BOARD OF DIRECTORS

Designation	Name of Directors
Chairman Cum Managing Director & CEO	Mr. Deepak Arneja
Managing Director	Mr. Ravinder Mohan Juneja
Non – Executive Director	Mr. Gagandeep Singh Narang
Non – Executive & Independent Director	Mr. Vinod Kumar
Non – Executive & Independent Director	Mr. Ved Prakash Chaudhry
Non – Executive & Independent Director	Mrs. Shamoli Thakur

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

<b>CORPORATE INFORMATION</b>	
<b>Director – Operations</b>	Mr. Sudhir Arneja
<b>Director – Operations</b>	Mr. Anurag Arneja
<b>General Manager – SCM</b>	Mr. Dheeraj Juneja
<b>General Manager – Sales &amp; Marketing</b>	Mr. Prateek Arneja
<b>Statutory Auditor</b>	M/s B. L. Khandelwal & Co (Practicing Chartered Accountant) 1, Doctor Lane, Gole Market, New Delhi –110001
<b>Secretarial Auditor</b>	M/s Anand Nimesh & Associates (Practicing Company Secretary) 183B, Second Floor, Gurudwara Road, West Guru Angad Nagar, Laxmi Nagar, New Delhi – 110092
<b>Cost Auditor</b>	M/s Sanjay Kumar Garg & Associates (Practicing Cost Accountant) Shop No. 2, First Floor, Pocket – H – 34, Plot No. 35, Sector – 3, Rohini, New Delhi – 110085
<b>Registrar &amp; Share Transfer Agent</b>	Skyline Financial Services Private Limited D – 153 / A, 1st Floor, Okhla Industrial Area, Phase – 1, New Delhi – 110020, Tel:- 011-40450193 - 97, Email Id: <a href="mailto:compliances@skylinerta.com">compliances@skylinerta.com</a>
<b>Company’s Banker</b>	The Karnataka Bank Limited 11/14, West Patel Nagar, New Delhi – 110008
<b>Work Place</b>	
<b>Registered office</b>	304, Gupta Arcade, Inder Enclave, Delhi – Rohtak Road, New Delhi - 110087 Tel: 011-46200400, E-mail Id: <a href="mailto:csnidhipathak@mohindra.asia">csnidhipathak@mohindra.asia</a>
<b>Corporate Office</b>	303 – 304, Vardhman Plaza, Inder Enclave, Paschim Vihar, Delhi – Rohtak Road, New Delhi – 110087 Tel: 011-46200400, E-mail Id: <a href="mailto:csnidhipathak@mohindra.asia">csnidhipathak@mohindra.asia</a>
<b>Manufacturing Units</b>	<ul style="list-style-type: none"> <li>• <b>Plant I</b> - 60th K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &amp; P.O. Kharawar, District Rohtak, Haryana-124001.</li> <li>• <b>Plant II</b> - 60th K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &amp; P.O. Gandhra, District Rohtak, Haryana-124001.</li> <li>• <b>Plant III</b> - Plot No 42, 43 &amp; 44, Sector 31B, IMT, Rohtak, Haryana-124001 (under construction)</li> <li>• <b>Plant IV</b> - 70th K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &amp; P.O. Kharawar, District Rohtak, Haryana-124001</li> </ul>



**Deepak Arneja**

Chairman Cum  
Managing Director & CEO

### ***Dear Shareholders,***

I am delighted to share with you our 27th Annual Report for the Financial Year 2020-21. This year was extremely challenging from all the perspectives and let me start with a prayer for all those whom we lost during the pandemic. A special gratitude for all the Corona Warriors who served the sick and needy, with the hope and best wishes for the times ahead.

Even as I write this, India and many other parts of the world are or have been consistently in the grip of second or even third waves of the pandemic, much fiercer than anything we saw last year. It is a health crisis of the kind we have not seen in generations. My heart goes out to everyone out there who has suffered the loss of the loved ones. I am confident that we will eventually get things under control, but until then, I urge all of you to stay safe, follow COVID discipline and protocols laid out by the government, get your vaccination jabs done in time and keep your spirits up.

The year began with uncertainty in the form of a lockdown which started from the end of the previous Financial year. The first task was to secure the safety of all employees and their families. Our manufacturing units were allowed to work with 50% manpower from 23rd April 2021. This was not easy because the whole operations had come to standstill with effect from 22nd March 2021. We could start our operations in a gradual manner and it took more than 2 months to achieve normalcy in our operations with domestic demand still remaining subdued. During the lockdown, our teams from HR, Exports, Banking & Secretarial along with senior Management executives, worked hard from their respective homes to ensure that needy staff members are helped, ensure the necessary compliances and to stay connected with our overseas customers appraising them of developments on a regular basis. Our teams adapted very quickly to work remotely, and I am proud to state that we did not miss a beat and were able to meet our customers' requirements and ensure that all the deliverables were met for various government agencies.

On the business front, your company weathered the pandemic very well. Our business performance in the year gone by is also a reflection of that innate resilience and adaptability. In the early months of the pandemic, when the worldwide lockdown disrupted economic activity across virtually all sectors, your company responded with speed and agility, embracing a new operating model, working remotely, our teams helped customers maintain business continuity during peak disruption, and thereafter, to accelerate their growth and transformation. The dedication shown by MFL's team across all departments, our agility and our innovation, won us much appreciation from our customers, and brought us incremental business and the confidence of our customers.

After the initial impact from lockdown-related disruptions, the company swiftly returned to a sharp growth trajectory over the next nine months, and we exited the year on a very strong note, with an expanded market share in Exports, industry-leading profitability better than before and an all-time high order book. The operative Management resorted to cost controls and implemented them effectively, which paid off well in terms of better profitability for the company.

Despite a sharp fall in revenues in the first quarter, MFL has earned a higher net profit of Rs. 1038.06 lakhs for the year 2021 as compared to corresponding figure in the previous year was Rs. 936.77 lakhs for the year 2020. Total revenue from the operations of MFL for the year ended March 31, 2021 was at Rs. 10,838.54 lakhs as against Rs. 10,417.39 lakhs in the previous year.

Exports have always remained backbone of the Company and the results have been encouraging this year also, despite the fall in sales in the first quarter. Our export sales for the year ended March 31, 2021 was higher at Rs. 7385.48 lakhs as against Rs. 6429.17 lakhs in the previous year 2020. Due to the drop in industry volumes, our domestic sale was lower at Rs. 3216.15 lakhs as against Rs. 3289.39 lakhs in the previous year. The Company's continued investments towards the development and manufacture of new products are expected to result in improvement in performance in the years ahead.

The earnings before interest, taxes, depreciation and amortization (EBITDA) for the year ended March 31, 2021 was at Rs. 1764.18 lakhs as against Rs. 1618.70 lakhs in the previous year 2020. Finance cost was slightly increased at Rs. 64.37 lakhs as against Rs. 55.46 lakhs in the previous year. The Company enjoys its Zero Debt status with no Term Loans. The running working capital loans are at competitive interest rates.

The Earnings per share (EPS) for the year ended March 31, 2021 was higher at Rs. 19.38 compared to Rs. 17.49 in the previous year.

We are delighted to inform you that the Company's green field project at IMT Rohtak, Haryana, has been progressing well despite the pandemic. The plans had to be held back for 9 to 10 months from April 2020 to January/February 2021 as successive lockdowns/infections in the country from March until November 2020 kept the sentiment quite low. The construction activities started from February 2021 with all other activities gaining stream. A substantial part of the imported machinery was ordered in April/May 2021, despite another lockdown and the balance equipment is being ordered to ensure that the Commercial production and the business operations & activities in the new Plant III would tentatively start from February/March 2022. The construction activities are likely to be completed by December 2021/January 2022.

In continuing with our tradition of directing surplus cash to shareholders, your company has paid the highest percentage of the dividend during the current running year 2020-21. The Board of Directors have recommended a final dividend of ₹3 (30%) for the financial year 2020-21, subject to the approval of the shareholders at this AGM, bringing the total dividend for the year ended 31st March, 2021 to ₹5 per share including ₹2 as interim dividend on equity shares declared & paid during the FY 2020-21.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source (TDS), if the amount of dividend to be paid during the Financial Year 2020-21 exceeds Rs. 5000/-.

ICRA Limited has issued '[ICRA] BBB(Stable) (pronounced as ICRA triple B) rating to the company for the Long Term Bank facilities and [ICRA] A3+ (pronounced as ICRA A three plus) for the Short Term Bank facilities i.e. these ratings are considered to have moderate degree of safety regarding timely servicing of financial obligations. In view of our outstanding results despite the pandemic, we are working with the rating agencies to improve our credit rating further.

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

---

### ACKNOWLEDGEMENT

---

Finally, I thank all of you, our committed shareowners, for your continued support and affection. You have inspired us to stretch above and beyond!

I would like to thank each and every employee, irrespective of department and designation, for their commitment and service to MFL in these challenging times.

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

Warm Regards,

**Deepak Arneja**  
**Chairman Cum Managing Director & CEO**

## NOTICE

NOTICE is hereby given that the 27th (Twenty Seventh) Annual General Meeting of the Members of MOHINDRA FASTENERS LIMITED will be held on Thursday, the 23rd September, 2021 at 11.30 A.M. **through Video Conferencing (VC) / Other Audio Visual Means (OAVM)** to transact the following businesses:

### ORDINARY BUSINESS:

1. To adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, along with the Reports of the Auditors and Board of Directors thereon. To consider & if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:  
“**RESOLVED THAT** the Audited Financial Statements for the year ended March 31, 2021 together with the Auditor’s Report thereon and the Report of the Board of Directors for the financial year ended on that date be and are hereby approved and adopted.”
2. To approve and declare the dividend on Equity Shares for the financial year ended on 31st March, 2021. To consider & if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:  
“**RESOLVED THAT** a final dividend of Rs. 3.00 per Equity Share (30%) on fully paid up equity shares as recommended by the Board of Directors for the year ended as on 31st Day of March, 2021 be and are hereby approved and declared.”
3. To appoint a Director in place of Mr. Gagandeep Singh Narang (DIN: 00179636) who retires by rotation and being eligible, offers himself for re-appointment. To consider & if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:  
“**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Gagandeep Singh Narang (DIN: 00179636) who retires by rotation and being eligible for re-appointment is hereby re-appointed as a Director of the Company, whose office is liable to retire by rotation.”

### SPECIAL BUSINESS

4. To approve the remuneration of Cost Auditor for the financial year ending 31st March, 2022. To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:  
“**RESOLVED THAT** the remuneration of Rs. 35,000/- (Rupees Thirty Five Thousand Only), in addition to reimbursement of travel and out of pocket expenses, payable to Mr. Sanjay Kumar Garg, Practicing Cost Accountants (Firm Registration No. 100292) who was appointed as Cost Auditor of the Company for the financial year ending March 31, 2022, as recommended by the Audit Committee and approved by the Board of Directors of the Company pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 is hereby ratified.”
5. To approve the re-appointment of Mr. Ved Prakash Chaudhry (DIN: 07572208) as Non-Executive Independent Director of the Company for a second term of five years. To consider and if thought fit, to pass the following resolution as SPECIAL RESOLUTION:  
“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the “Act”) as amended from time to time and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulation(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Ved Prakash Chaudhry (DIN-07572208), whose first term as Non-Executive Independent Director of the Company expires on September 29, 2021 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from the shareholder under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from September 30, 2021 to September 29, 2026.

## MOHINDRA FASTENERS LIMITED

---

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI Listing Regulations and other applicable provisions, if any, of the Act and the applicable Rules framed thereunder, the approval of Members of the Company be and is hereby accorded to continue the second term of Mr. Ved Prakash Chaudhry (DIN-07572208) as a Non-Executive Independent Director of the Company on attaining the age of 75 (seventy-five) years on June 1, 2023, on the same terms and conditions.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**By Order of the Board**

**Place: New Delhi**  
**Dated: 14.08.2021**

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

### **NOTES:**

1. In view of the massive outbreak of the Coronavirus pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated January 13, 2021 read with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India (SEBI) vide its circular dated January 15, 2021 read with circular dated May 12, 2020 permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate members are requested to provide a duly certified copy of the board resolution / power of attorney authorizing their representatives for the purpose of voting through remote e-voting or to participate and vote in the meeting through VC / OAVM to the Scrutinizer at **vdnext1711@gmail.com**.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), in respect of the Business(es) to be transacted at the Annual General Meeting (“AGM”) is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this Annual General Meeting (“AGM”) is also annexed.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Members whose email address, Permanent Account Number (PAN) and mobile numbers are not registered can register the same in the following manner:



- Members holding shares in demat form can get their e-mail address, PAN & mobile number registered by contacting their respective Depository Participant.
  - Members holding shares in the physical form may get their e-mail address, PAN & mobile number registered by contacting to company at [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia) or Registrar and Share Transfer Agent “Skyline Financial Services Private Limited” on at [compliances@skylinerta.com](mailto:compliances@skylinerta.com).
  - Members who have not registered their E-mail address and in consequence, the Annual Report and Notice of AGM could not be served, may temporarily get their E-mail address and mobile number register with RTA at <http://www.skylinerta.com/EmailReg.php>.
8. Members, holding shares in physical form, are requested to notify / send the following to the Registrar and Share Transfer Agent (Skyline Financial Services Pvt. Ltd.) of the Company:-
    - a) any change in their address / bank mandate.
    - b) particulars of their bank account, in case they have not been sent earlier.
    - c) nomination in Form SH-13, in duplicate, as provided under Section 72 of the Companies Act, 2013, in case they have not been sent earlier.
    - d) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
    - e) The Securities and Exchange Board of India had mandated that any requests for effecting transfer of securities, shall not be processed unless the securities are held in the dematerialized form with a depository. The members are therefore requested to initiate necessary steps to dematerialise your shares, which are held in physical form. The Company’s ISIN is: INE705H01011.
  9. Members whose shareholding is in electronic mode are requested to notify change in address, if any, and update bank account details to their respective depository participant(s). We also request the members to utilise the Electronic Clearing System (ECS) for receiving dividends.
  10. The company has fixed Thursday 16th September, 2021 as the ‘Record Date’ for determining entitlement of members for final dividend of the financial year ended March 31, 2021, if declared at the AGM.
  11. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source (TDS) will be made within thirty days of its declaration as under:
    - a) To all the beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as on the ‘record date’ i.e. 16th September, 2021.
    - b) To all Members in respect of shares held in physical form after giving effect to valid transfers, transmission or transposition requests lodged with the Company as on the ‘record date’ i.e. 16th September, 2021.
  12. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 17th September, 2021 to Thursday 23rd September, 2021 (both days inclusive) for the purpose of payment of final dividend for the financial year ended on 31st March, 2021 and for this Annual General Meeting (AGM).
  13. Members are requested to note that, Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividends if not encashed or claimed by the shareholders for seven consecutive years or more are liable to be transferred to the Investor Education and Protection Fund (“IEPF”).

Further IEPF rules inter-alia contains the provision of transfer of shares in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more to IEPF Authority, the Company has duly transferred 4500 equity shares during the financial year 2020-2021 to the IEPF Authority.

Shareholders please note that once the unclaimed dividend and shares transferred to the IEPF Authority, no claim shall lie thereafter against the company in respect of such amounts and shares. Shareholders are therefore requested to verify their records and send claims if any, for the relevant financial year(s) from 2013-14 or onwards, before the respective amounts become due for transfer to the IEPF Authority.

## MOHINDRA FASTENERS LIMITED

Details of dividend declared by the Company from financial year 2013-2014 onwards are given below:

Financial Year	Dividend Per share (in Rs.)	Date of Declaration	Last Date for claiming amount of unpaid dividend	Due Date for transfer amount to IEPF	Amount (in Rs.) As on 31st March, 2021
2013-14	1.80	25/09/2014	29/10/2021	30/10/2021	99,180.00
2014-15	2.00	30/09/2015	03/11/2022	04/11/2022	2,35,610.00
2015-16	2.00	30/09/2016	29/10/2023	30/10/2023	2,05,226.00
2016-17	2.25	28/09/2017	29/10/2024	30/10/2024	2,46,174.75
2017-18	2.50	28/09/2018	30/10/2025	31/10/2025	2,41,282.50
2018-19	3.00	21/09/2019	21/10/2026	22/10/2026	2,36,727.00
2019-20	3.50	29/09/2020	29/10/2027	30/10/2027	2,90,396.00
2020-21 (interim)	2.00	10/02/2021	14/03/2028	15/03/2028	1,86,260.00

Shareholders who have not encashed their dividend warrants in respect of the above-mentioned period are requested to make their claim(s) by surrendering the uncashed warrants immediately to the Company. Shareholders may contact to the Secretarial & Legal Department of the Company by writing a Request Letter to Company Secretary at Registered Office: 304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, Delhi-110087.

Email ID: [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia) or may contact to our Registrar & Share Transfer Agent through email id: [compliances@skylinerta.com](mailto:compliances@skylinerta.com) (i.e. M/s. Skyline Financial Services Private Limited), on or before the due dates as mentioned above.

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

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

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

14. (i) In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with Annual Report for the financial year 2020-21 being sent only through electronic mode to those Members whose email address are registered with the company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.mohindra.asia](http://www.mohindra.asia), website of the stock exchange i.e. Metropolitan Stock Exchange of India Limited at [www.msei.in](http://www.msei.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (ii) Members of the Company holding shares either in physical form or in Dematerialised forms as on Benpose date i.e. Friday 27th August, 2021 will receive Annual Report for the financial year 2020-21 through electronic mode only.
15. Members desiring any information or have any query as regards to financial statements or any matter to be placed at the AGM, may write to the Company 48hrs before the date of the AGM mentioning their name, demat account number/ folio number, email id, mobile number at [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia). The same will be replied by the company suitably.
16. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 & other mandatory statutory Registers and Relevant

documents referred to in this Notice of AGM and explanatory statement will be available electronically for inspection by the shareholders during the AGM. Shareholders seeking to inspect such documents electronically can send an email to [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia).

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

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2021-22 does not exceed `Rs5,000 only and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act along with PAN to avail the benefits of non-deduction of tax at source at e-mail address [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia) or before 'record date' i.e. 16th September, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

#### 18. VOTING BY MEMBERS

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

- (i) Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM ("Remote E-voting") in the manner provided below during the e-voting period.
- (ii) On the date of the AGM, procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting. The Instructions for Members of E-Voting during the AGM are provided below.
- (iii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

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

The remote e-voting period begins on 18th September, 2021 at 09:00 A.M. and ends on 22nd September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 16th September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 16th September, 2021.

How do I vote electronically using NSDL e-Voting system?





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

Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> </ol>

	<ol style="list-style-type: none"> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

b) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

## MOHINDRA FASTENERS LIMITED

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  - Now, you will have to click on "Login" button.
  - After you click on the "Login" button, Home page of e-Voting will open.

**Step 2:** Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **GENERAL GUIDELINES FOR SHAREHOLDERS**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vdnxt1711@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. 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 download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Ms.PallaviMhatre, Manager or Ms.Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the Company’s email address csnidhipathak@mohindra.asia

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to ([csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia)).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to ([csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step **1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

## MOHINDRA FASTENERS LIMITED

---

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

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia). The same will be replied by the company suitably.
6. Those member who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

### **OTHER INFORMATION**

- i. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date, September 16, 2021 (Thursday). Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. Any person who acquires the shares of the Company and becomes a member of the Company after dispatch of the notice of AGM and the Annual Report through electronic mode, and holding shares as of the cut-off date September 16, 2021 (Thursday), may obtain the login ID and password by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia).
- iii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting on the day of AGM.
- iv. The Company has appointed Mr. Anand Kumar Singh, Practicing Company Secretary (CP No.9404) as Scrutiniser to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.
- v. The Scrutiniser shall, immediately after the conclusion of e-voting on the date of AGM first count the e-votes cast during the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutiniser shall within two working days of conclusion of the meeting submit his report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the report.



- vi. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e., September 23, 2021. The results along with the Scrutiniser's Report shall be placed on the website of the Company [http://mohindra.asia/mfl/outcome\\_AGM.html](http://mohindra.asia/mfl/outcome_AGM.html) and on the notice board of the Company at its registered office immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchange, Metropolitan Stock Exchange of India Ltd. (MSEI), Mumbai.

The recorded transcript of the AGM, shall as soon as possible, be made available on the website of the company.

**By Order of the Board**

**Place: New Delhi**  
**Dated: 14.08.2021**

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

## MOHINDRA FASTENERS LIMITED

---

**AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 (“ACT”), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED UNDER ITEM NO. 4&5 OF THE ACCOMPANYING NOTICE:**

### **ITEM NO. 4:**

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2022.

On the recommendation of the Audit Committee, Mr. Sanjay Kumar Garg (Membership No. 20707), B.COM, FCMA, FIPA, FFA, CMA(USA), FIIoV, CIA, Proprietor of M/s Sanjay Kumar Garg & Associates (Firm Registration No-100292), Practicing Cost Accountants, was appointed as the Cost Auditor of the Company for the financial years ending March 31, 2022 for conducting the Cost Audit as mandated by the Act. The Board has considered and approved the appointment of Mr. Sanjay Kumar Garg, Practicing Cost Accountant, as the Cost Auditor for the financial year ending March 31, 2022 at a remuneration of Rs. 35,000 (Rupees Thirty-Five Thousand Only) in addition to reimbursement of travel and out-of-pocket expenses.

The proposal for remuneration as set out in the Notice is placed for consideration and ratification of the shareholders by way of an Ordinary Resolution. The Board recommends the resolution set forth in the notice (Agenda Item No.4) for approval by the members.

### **Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives**

No Director or Key Managerial Personnel or their relative is concerned or interested in this item of business.

### **ITEM NO. 5:**

The Shareholders of the Company at the 22nd AGM held on 30th September, 2016 approved the appointment of Mr. Ved Prakash Chaudhry as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. 30th September, 2016. Mr. Ved Prakash Chaudhry will be completing his first term on September 29, 2021.

The nomination and remuneration committee, at its meeting held on August 14, 2021, after taking into account the performance evaluation of Mr. Ved Prakash Chaudhry during his first term of five years and considering his knowledge, acumen, expertise, experience and substantial contribution, has recommended to the Board his reappointment for a second term of five years. Based on the recommendation of the nomination and remuneration committee, the Board has recommended the reappointment of Mr. Ved Prakash Chaudhry as an independent director, not liable to retire by rotation, for a second term of five years with effect from September 30, 2021, up to September 29, 2026.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to 5 (five) consecutive years on the board of a company, but shall be eligible for re-appointment on passing a special resolution by the company for another term of up to 5 (five) consecutive years on the board of a Company.

The Board of the Company in its Meeting held on August 14, 2021 has approved reappointment of Mr. Ved Prakash Chaudhry for a second term of five years. Mr. Ved Prakash Chaudhry is presently 73 years old and the proposed second term will move beyond 75 years of his age. (He will attain the 75 years of age on June 01, 2023).

Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”), inter alia, provides that “no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect” hence his continuation beyond 75 years requires the approval of members by way of a special resolution.

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

The Company has received all statutory disclosures / declarations from Mr. Ved Prakash Chaudhry including, (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (“the Appointment Rules”), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a shareholder, intending to nominate Mr. Ved Prakash Chaudhry to the office of independent director.

In the opinion of the Board and based on its evaluation, Mr. Ved Prakash Chaudhry fulfils the conditions specified in the Companies Act, 2013 & rules made thereunder and LODR Regulations for his reappointment as an independent director of the Company and he is independent of the Management of the Company. A copy of the draft letter for the reappointment of Mr. Ved Prakash Chaudhry setting out the terms and conditions is available for electronic inspection at the corporate office of the Company during business hours up to and including the date of AGM.

The Explanatory Statement together with the accompanying Notice may also be regarded as disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India (ICSI). The Board recommends the Special Resolution at Item No. 5 of the Notice for your approval.

#### **Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives**

Except Mr. Ved Prakash Chaudhry, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 except to the extent of their shareholding, if any, in the Company.

**By Order of the Board**

**Place: New Delhi**  
**Dated: 14.08.2021**

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

# MOHINDRA FASTENERS LIMITED

## RELEVANT DETAILS FOR ITEM NO. 3& 5

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

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

<b>Name of the Directors</b>	<b>Mr. Gagandeep Singh Narang</b>
Date of Birth and Age	26th November, 1981, 40 Years
DIN	00179636
Qualification	He had completed his graduation (B.Com) from Delhi University and BBA from University of Bradford U.K. He has pursued Diploma in Financial Management in the year 2003.
Experience and expertise in specific functional areas	Has more than 15 years of experience in holding responsible positions including directorship in various Companies. He has more than 15 years of Experience in Real Estate Industry. He is also having good experience in Transport and Hospitality Industry. He is specialized in leasing built to suit spaces to IT/ITES companies. His business acumen, leadership quality, financial and management expertise/ techniques have benefited the organizations significantly wherever he served.
Terms & Conditions of appointment	Non-Executive Independent Director, liable to retire by rotation
Details of remuneration last drawn (2020-21)	All details given in corporate governance report
Date of first appointment on the Board	15th February, 2016
Inter-se relationships between- <ul style="list-style-type: none"> <li>• Director;</li> <li>• Managers;</li> <li>• Key Managerial Personnel.</li> </ul>	None
Shareholding in the company	111800 (2.09%)
Number of Meetings of the Board attended during the last financial year	All details given in corporate governance report
List of companies in which Directorship held as on 31.03.2021	<b>PUBLIC COMPANIES:</b> <ul style="list-style-type: none"> <li>• Mohindra Fasteners Limited</li> </ul> <b>PRIVATE COMPANIES:</b> <ul style="list-style-type: none"> <li>• Nipman Impex Private Limited</li> <li>• Nikunj Netweb Solutions Private Limited</li> <li>• Simar Packaging and Manufacturers Private Limited</li> <li>• Datar Reality and Hospitality Private Limited</li> </ul>
List of Committees in which he is a Chairman/ Member of the Committees of the Board of the companies as on date of notice	Chairman <ul style="list-style-type: none"> <li>• Nil</li> </ul> Member <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee</li> </ul>
Chairperson/Membership of the Statutory Committee(s) of Board of Directors of other companies in which he is a Director	Nil

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

<b>Name of the Directors</b>	<b>Mr. Ved Prakash Chaudhry</b>
Date of Birth and Age	1st June, 1948, 73 Years
DIN	07572208
Qualification	Post Graduate (MSC and LLB).
Experience and expertise in specific functional areas	He has 32 year of experience with Banking Industry and has served as Senior Manager in Karnataka Bank Limited. He retired from the Bank as a Senior Branch Manager in 2008. Being a Law Graduate, he is well versed with business/corporate laws.
Terms & Conditions of appointment	Independent Director, not liable to retire by rotation
Details of remuneration last drawn (2020-21)	All details given in corporate governance report
Date of first appointment on the Board	30th July, 2016
Inter-se relationships between- <ul style="list-style-type: none"> <li>• Director;</li> <li>• Managers;</li> <li>• Key Managerial Personnel.</li> </ul>	None
Shareholding in the company	100
Number of Meetings of the Board attended during the last financial year	All details given in corporate governance report
List of companies in which Directorship held as on 31.03.2021	PUBLIC COMPANIES: <ul style="list-style-type: none"> <li>• Mohindra Fasteners Limited</li> </ul> PRIVATE COMPANIES: <ul style="list-style-type: none"> <li>• Nil</li> </ul>
List of Committees in which he is a Chairman/ Member of the Committees of the Board of the companies as on date of notice	Chairman <ul style="list-style-type: none"> <li>• Nil</li> </ul> Member <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Nomination and Remuneration Committee</li> </ul>
Chairperson/Membership of the Statutory Committee(s) of Board of Directors of other companies in which he is a Director	Nil

**By Order of the Board**

**Place: New Delhi**  
**Dated: 14.08.2021**

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

# MOHINDRA FASTENERS LIMITED

## DIRECTORS' REPORT

To,  
The Members of Mohindra Fasteners Limited

Your Directors are pleased to present their 27th (Twenty Seventh) Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended March 31, 2021.

### FINANCIAL RESULTS

The highlights of the Financial Results are as under:

(₹ in Lacs)

PARTICULARS	Year ended 2020-21	Year ended 2019-20
Revenue From Operations	10601.63	10147.79
Other Income	236.91	269.60
Total Income/Revenue	10838.54	10417.39
Total Expenses	9458.01	9208.22
Profit before Interest, Depreciation & Tax	1764.18	1618.70
Finance Charges	64.37	55.46
Depreciation and Amortization expenses	319.28	354.07
Profit/(Loss) for the Year before exceptional items & Tax	1380.53	1209.17
Add/(Less): *Exceptional Items	Nil	Nil
Profit before Tax	1380.53	1209.17
Add/(Less): Provision for Income Tax(Current Tax)	378.43	350.47
Add/(Less): Deferred Tax (Assets) / Liability	(35.96)	(78.07)
Net Profit/(Loss) for the Year after Tax	1038.06	936.77
Other comprehensive income:		
Items that will not be reclassified to Profit & Loss	(12.46)	(53.77)
Total comprehensive income for the year	1025.60	883.00
Equity Shares	5356800	5356800
Earnings per share (EPS):		
Basic	19.38	17.49
Diluted	19.38	17.49

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

### 1. COMPANY'S VISION

Our Company philosophy has always focused on customer satisfaction with uncompromising integrity. We strive to carry products and new developments with the finest value and quality in the market.

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

## 2. COMPANY'S MISSION

The Company will strive to achieve the following:

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

## 3. REVIEW OF OPERATIONS

During the financial year 2020-21; your company has earned revenue from operations Rs. 10601.63 Lakhs (Previous year Rs. 10147.79 Lakhs) and net profit of the company was Rs. 1038.06 Lakhs (Previous year Rs. 936.77 Lakhs).

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

Your Company is operating in two business verticals viz. Domestic sales which constitute about 30% of the sales revenue and Exports which constitute about 70% of the sales revenue.

The domestic sales constitute supply of High tensile fasteners to the domestic customers predominantly automotive business which includes sales made to two wheeler segment (direct supplies to Hero MotoCorp Ltd) and to a lot of Tier 1 vendors of Maruti Suzuki, Hyundai and Tata Motors Ltd. Due to the drop in industry volumes & owing to the pandemic & successive lockdowns from time to time, our domestic sales was fell by 2% at Rs. 3216.15 lakhs as against Rs. 3289.39 lakhs in the previous year.

The Company made a smart recovery after the first quarter of the fiscal year 2020-2021 and has achieved a quarter on quarter performance unparalleled in its history although the Coronavirus (Covid-19) Pandemic wreaked havoc on the global economy, unleashing the worst economic downturn since the Great Depression. The complete nationwide lockdown imposed by the Central and State Governments to contain the spread of the Covid-19 Pandemic had a negative impact on the social and economic factors with economic activity coming to a standstill since the last week of March 2020. This resulted in the aggregate demand plummeting across sectors aggravated by the global economic slowdown.

The pandemic resulting in shutting down of manufacturing, loss of jobs and economies stuttering, meant a steep reduction intrade-both imports and exports. The fall in imports after the pandemic led to a huge imbalance in the demand and supply of containers, hitting the availability of containers for exports. In effect, containers remained stationary because of the fall in global trade. This impacted exports and worse, increased costs of shipping as compared to the pre-Covid rates. However, your Company works with bug & stable customers overseas & operations on incoterms which did not affect us in terms of costs & supplies remained stable.

Exports have always remained backbone of the Company and results have been encouraging this year also despite of fall in sales in the first quarter, our export sales for the year ended March 31, 2021 higher by 15% was at Rs. 7385.48 lakhs as against Rs. 6429.17 lakhs in the previous year. The Company on its part, while anticipating the slowdown, added new customers, added new product lines and developed medium to long term contracts for special products and applications. The Company is proud to have its customers in almost all continents except Antarctica.

After the initial impact from lockdown-related disruptions, it swiftly returned to a sharp growth trajectory over the next nine months, and we closed the year on a very strong note, with an expanded market share, industry-leading profitability and an all-time high order book. The Company's continued investments towards the development and manufacture of new products are expected to result in improvement in performance in the years ahead.

Due to recent second wave of COVID-19 followed by partial lockdown in the month of April, 2021, our 'Green Field Project at IMT Rohtak, Haryana came to halt again, the construction work and other activities pertaining to expansion have been deferred by 2-3 months. This project is now projected to be completed by January/February, 2022 & the commercial production is likely to be taken up in February/March, 2022.

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

### **OUTBREAK OF COVID-19**

Due to outbreak of Coronavirus (COVID-19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Governments(s) in India, the manufacturing activities of the Company remained suspended from March 23, 2020 onwards. The Company in compliance with the necessary instructions guidelines, resumed its manufacturing operations from April 27, 2020 in a phased manner, while ensuring health and safety of all the stakeholders.

The year began with uncertainty, and the first task was to secure the safety of all employees and their families. Next, we fully enabled the team to work from home. Our team adapted very quickly to working remotely, and I am proud to state that we did not miss a beat and were able to meet our customers' requirements and ensure that all the deliverables were met.

Further the recent second wave of COVID-19 has resulted in partial lockdown/restriction in various states. However, the Company is closely monitoring the impact of the aforementioned pandemic and believes that there will not be any adverse impact on the long term operations and performance of the Company.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature, duration and the extent covering almost the whole world. Overall, the balance period of the financial year, of 2021–2022, is likely to be difficult but we do hope the business situation should normalize from the 3rd and 4th Quarter of this year.

### **4. DIVIDEND**

The Board had earlier during the year, declared an interim dividend of Rs. 2.00 per share (20%) absorbed a sum of Rs. 107.14 Lakhs and the same was paid to the shareholders on March 1, 2021. Out of the interim dividend declared in February 2021, Rs 1.86 Lakhs remained unclaimed as on March 31, 2021.

Further, the Board in its meeting held on June 26, 2021, recommended a final dividend of Rs. 3.00/- per equity share i.e. 30% of face value of Rs. 10/- each for the year ended 31st March, 2021, subject to the approval of shareholders at the 27th AGM of your Company and that will absorb Rs. 160.70 Lakhs, subject to the TDS.

The Final Dividend will be paid within thirty days of its approval by the shareholders of the Company, to the Shareholders, whose names appear in the Register of Members, as on record date i.e. 16th September, 2021.

The total dividend for the financial year 2020-21 bringing to the Rs. 5.00/- per equity share (50%) and will absorb Rs. 267.84 Lakhs. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source (TDS) as per applicable rates.

The register of members and share transfer books will remain closed from 17th September, 2021 to 23rd September, 2021 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31st March, 2021 and the AGM. The AGM is scheduled to be held on 23rd September, 2021.

### **5. RESERVES**

No amount is proposed to be transferred to General Reserve out of the net profits of the Company for the financial year 2020-21. Hence, the entire amount of profit has been carried forward to the Profit & Loss Account. The Company does not propose to transfer/carry any amount to the General Reserve as there are no such mandatory requirements under Companies Act, 2013.

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

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



The metallurgical Laboratory of the company was certified as per ISO 17025 norms which will help the company in satisfying the quality needs/requirements of the customers.

The Company envisages a vision of Zero Defect Policy. The Company has strengthened its efforts towards implementing 5S & Six Sigma to enhance the quality of work and products.

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

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

#### **8. DEPOSIT**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

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

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

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

During the year under review, there has been no change in Authorised Share Capital of the company i.e. Rs. 17,50,00,000/- (Rupees Seventeen Crore and Fifty Lakhs only) divided into 1,20,00,000 (One Crores & Twenty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each and 55,00,000 (Fifty-Five Lakhs) preference shares of Rs. 10/- (Rupees Ten only) each,

Further, there were no changes in the Issued, Subscribed and Paid-up Share Capital of your Company. Hence, the Paid-up Share Capital of the Company is Rs. 5.35 Crores.

During the year, the Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year except:

#### **NOTABLE INITIATIVES DURING THE YEAR**

During the period under review, the Board of Directors of the Company in its meeting held on 10th February, 2021 approved to issue the Rights Issue of Equity Shares to the existing members of the Company for an aggregating amount upto Rs. 5,00,00,000/- (Rupees Five Crores Only) in the ratio of 1 (One) Rights Equity Share for every 10 (Ten) fully paid-up Equity Shares (i.e. 1:10) held by the existing Equity Shareholders on the Record Date. The process of rights issue would tentatively be completed in the financial year 2021-22. The proceeds of the said Issue shall be used to meet the funding needs of the expansion plan i.e. Green Field Project coming up at IMT Rohtak, Haryana.

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

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

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

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013 and other applicable provisions, Mr. Gagandeep Singh Narang (DIN: 00179636), Director of the Company is liable to retire by rotation at the 27th Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends his re-appointment to the shareholders. The resolution seeking member's approval for his re-appointment form part of the 27th AGM notice.

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

#### **Key Managerial Personnel (KMP):**

During the year, there were no change in the composition of Key Managerial Personnel.

## Director:

Nomination & Remuneration Committee on the basis of performance evaluation and contribution made by Mr. Ved Prakash Chaudhry (DIN: 07572208) during his tenure, has recommended to the Board his continued association for a second term of five consecutive years with effect from 30.09.2021 as Independent Director of the company, not liable to retire by rotation, would be in the interest of the Company. The Board of the directors proposed to the shareholders of the Company to re-appoint him as the Non-Executive/Independent Director for second term of five consecutive years with effect from 30th September, 2021 to 29th September, 2026 and to continue his second term as a Non-Executive Independent Director of the Company on attaining the age of 75 (seventy-five) years on June 1, 2023, on the same terms and conditions, by passing a Special Resolution at the ensuing Annual General Meeting. The resolution seeking shareholder's approval for his reappointment form part of the notice.

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

## 12. EXTRACT OF ANNUAL RETURN

In terms of the requirement of Section 134(3) read with Section 92(3) of the Companies Act, 2013, the draft annual return of the Company as on March 31, 2021 is available on the Company's website [www.mohindra.asia](http://www.mohindra.asia).

## 13. PARTICULARS OF EMPLOYEES

The statement of particulars of Appointment and Remuneration of Key Managerial Personnel as per Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed vide **Annexure-I to the Director's Report**.

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

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

## 14. BOARD AND COMMITTEE MEETINGS

The Board met (4) four times during the financial year 2020-21, to transact the business of the Company. Details of the Board meetings, including the attendance of Directors at these meetings are covered in the Corporate Governance Report forming part of the Annual Report.

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

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

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

## 15. NOMINATION AND REMUNERATION POLICY

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

A brief description about the company's Nomination and Remuneration Policy on director's appointment and remuneration including criteria for determining qualification, Positive attributes, independence of director and

other related matters provided in section 178(3) of the companies act, 2013 are furnished in the Corporate Governance Report forming part of the annual report and same is available on the company's website at [www.mohindra.asia](http://www.mohindra.asia).

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

The Company has received necessary declarations from each of Independent Director under Section 149(7) of Companies Act, 2013 that he/she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, are appended under section 134(3)(d) as **Annexure-II to the Directors' Report**. There was no change in the circumstances affecting their status as Independent Directors of the Company. The Board reviewed the Certificates and noted that all Independent Directors are independent of the Company's Management.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and that they are not disqualified to become directors under the Companies Act, 2013. In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the database maintained by The Indian Institute of Corporate Affairs at Manesar ('IICA').

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

The Company proactively keeps its Directors informed of the activities of the Company its management and operations and provides an overall industry perspective as well as issues being faced by the industry. Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarized with the Company, their roles, rights and responsibilities in the Company, the code of conduct to be adhered, nature of the industry in which the Company operates, business model of the Company, meeting with the senior management team members, etc.

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

The detail of such familiarization programme can be accessed on the Company's website at [http://mohindra.asia/mfl/shareholder\\_corner.html](http://mohindra.asia/mfl/shareholder_corner.html).

## **18. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the SEBI Listing Regulations and on the basis of guidance note on Board Evaluation issued by SEBI on June 5, 2017, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of Directors including Independent Directors, by way of individual and collective feedback from Directors.

The Evaluation Criteria applied are:

(a) For Independent Directors:

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

(b) For Executive Directors

- Performance as Team Leader/ Member;
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios;
- Key set Goals/ KRA and achievements;

- Professional Conduct, Integrity;
- Sharing of Information with the Board.
- Attendance to the Board and Committee meetings, and active participation thereof

The performance evaluation of the Independent Directors by Executive Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors in a separate meeting of Independent directors held on March 30, 2021. The Board of Directors expressed their satisfaction with the evaluation process.

### 19. COMMITTEES OF THE BOARD

As on March 31, 2021, the Board has four committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder's Relationship Committee and the Corporate Social Responsibility Committee.

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

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

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

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

### 21. AUDITORS

#### Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, M/s. B. L. Khandelwal & Co., (Firm Registration No.: 000998N), Chartered Accountants, 1, Doctor Lane, Gole Market, New Delhi –110001 were appointed as Statutory Auditors of the Company at the 23rd Annual General Meeting held on 28th September, 2017, for a term of 5 (five) consecutive years i.e. up to conclusion of 28th Annual General Meeting to be held in the year 2022.

#### Statutory Auditors' Report

The report given by the Auditors on the financial statement for the FY 2020-21 of the company is part of this Report. There has been no qualification, reservation or adverse remark or disclaimer given by the Auditors in their report.

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

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

#### Secretarial Auditors

In terms of Section 204 of the Companies Act, 2013 & rules made there under and on the recommendation of the Audit Committee, the Board has re-appointed M/s AnandNimesh & Associates, Practising Company Secretaries, 183B, Second Floor, Gurudwara Road, West Guru Angad Nagar, Laxmi Nagar, New Delhi-110092, as a Secretarial Auditor of the Company for FY 2021- 22 at the board meeting held on June 26, 2021.

#### Secretarial Auditors' Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s AnandNimesh & Associates, Company Secretaries, Delhi as the Secretarial Auditor of the Company for the financial year 2020-2021. Secretarial Audit Report issued by Mr. Anand Kumar Singh, Practising Company Secretary (CP No. 9404), Partner, M/s. AnandNimesh & Associates, Company Secretaries, Delhi in Form MR-3 is enclosed in **Annexure-III to the Directors' Report**.

There has been no qualification, reservation or adverse remark or disclaimer in their Report for the financial year 2020-21. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

### **Internal Auditors**

Pursuant to Section 138 of the Companies Act, 2013 & rules made there under and on the recommendation of Audit Committee, the Board has appointed M/s GSK & Associates, LLP (FRN/LLPN: 013838N/N500003), Chartered Accountants, having its office at 8, 1st Floor, Rani Jhansi Road, Motia Khan, Industrial Area, New Delhi-110055, as an Internal Auditor of the Company for FY 2021- 22 at the board meeting held on June 26, 2021.

### **Internal Audit & Controls**

During the year, the Company continued to implement their suggestions and recommendations to improve and control the environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas.

Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

### **Cost Auditor**

As per Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014 as amended, the Board of Directors, on the recommendation of the Audit Committee and subject to ratification of remuneration by the members of the company, has re-appointed M/s. Sanjay Kumar Garg & Associates, Cost Accountants, New Delhi (FRN: 100292) being eligible and having sought Appointment, as Cost Auditors of the Company, to carry out the cost audit in relation to the financial year ended March 31, 2022. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

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

### **Cost Audit Report**

The Cost audit report for the financial year 2020-21 shall be filed with the Ministry of Corporate Affairs in due course.

### **Maintenance of Cost Records**

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

## **22. ISSUE OF EMPLOYEE STOCK OPTIONS**

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

## **23. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) & (10) of the Act and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Vigil Mechanism through a Whistle Blower Policy. The mechanism provides for adequate safeguards against victimization of directors / employees / customers who avail of the mechanism. The details about the whistle blower policy are provided in the Annual Report Disclosures under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There has been no case to report during the FY 2020-2021, no individual was denied access to the Audit Committee for reporting concerns, if any.

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

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

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

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

### 26. INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

The internal auditor presents the internal audit report every quarter and management comments on the internal audit observations to the Audit Committee. The internal control mechanisms are in place for safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information. Thus the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year **2020-21**.

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

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

### 27. LOANS, GUARANTEES OR INVESTMENTS

#### Details of Loans:-

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

#### Details of Investments:-

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

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

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

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

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company. Further, there are no materially significant related party transactions made by the Company with Promoters and Directors or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

Details of the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to note no. 35 to the financial statements which sets out related party disclosures pursuant to Ind AS 24. The list of half yearly Related Party Transactions entered into by your Company for FY 2020-21 (on consolidated basis) are available on [http://mohindra.asia/mfl/shareholder\\_corner.html](http://mohindra.asia/mfl/shareholder_corner.html).

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

Your company continues to follow a robust policy on 'Prevention of Sexual Harassment of Women at Workplace Policy' in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

The Company has constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee (formerly named as Internal Complaint Committee ("ICC")) to implement the policy for prevention of Sexual Harassment of Women at workplace and to inquire into complaints of sexual harassment and recommend appropriate action.

During the financial year 2020-21, there has not been any instance of complaint reported in this regard to any of the Committees.

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

**30. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) they 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, 2021;
- c) they 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) they had prepared the annual accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

For enhanced performance of any organization, it is important that its human resources are abreast of new developments and possess relevant skill sets. To realize this, the emphasis on training and development activities has been increased. During these uncertain times facility of work from home has been adopted by the Company for the welfare and wellbeing of its employees.

Employee safety was the topmost priority in the past year. During the difficult period of the national lockdown, the Company ensured regular communication with all its employees. From the time the pandemic started, the

Company have constantly been creating awareness on preventive measures. On reopening of the factories post lockdown, elaborate procedures were put in place covering all aspects of employee safety – right from company transportation to personal hygiene. Sanitization was undertaken twice a day from April, 2020 & is being continued even until today. Vigilance Officers were nominated at each location to ensure implementation and adherence to all the procedures. All employees are regularly provided with masks every month & the temperature are checked every day while entering the factory/office premises.

Special arrangements have been made at the canteen to avoid crowding and to ensure social distancing. Measures were taken to ensure that even families of employees are taken care of by talking to them and creating awareness on Covid protocols.

The focus for the organization in the coming year is to ensure that all employees and their family members are vaccinated, to ensure a healthy and productive workforce.

As a part of Learning & Development initiatives, your Company ensures that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. Your Company continues to reward its talented employees at all levels to recognize every effort made towards improvement in the workplace. Various employee's engagement and training & development activities were continued to motivate and upbeat the morale of the employees. The Company encourages its team members to participate in external /internal trainings in Techno/Commercial areas to enhance their skills.

Industrial relations continued to remain cordial at all the manufacturing locations. The Directors thank the employees for their contribution to the progress of the Company during the year under review.

During the financial year 2020-21, the numbers of permanent employees on the pay rolls of the company were 318 as on 31st March, 2021.

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

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

The Company took significant efforts to protect the health and safety of its employees at all levels since the Covid-19 outbreak. Stringent measures were taken to keep all our workplaces highly safe. The Company had put in place Standard Operating Procedures (SOPs) covering all the areas such as employee entry, exit, attendance recording, hand wash, canteens, material handling, transport vehicles etc. to ensure all the precautionary measures – disinfection of workplaces, hand sanitization, social distancing, hand washing, wearing a mask, temperature checking etc. were incorporated in day-to-day working. Modifications were done in the workstations, canteens, hand-wash areas, drinking water points, transport vehicles etc. to follow social distancing norms and other preventive measures. A massive vaccination drive was held encouraging the employees to get vaccinated as per the Government guidelines. Camps were held in the factory premises at Rohtak to ensure everyone was vaccinated.

The company strives to manufacture products with zero pollution and zero accidents, by continuously improving its environmental and occupational health and safety management systems. The company accords paramount importance to the health and safety of its employees. The company's manufacturing facilities primarily focus on energy efficiency, water conservation, usage of renewable energy including solar power, waste management and reduction in use of hazardous chemicals.

A Health, Safety & Environment Policy has been formulated and implemented through Management System. In recognition of this Mohindra Fasteners Limited has been awarded ISO 14001:2015 & OHSAS 18001:2007.

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



#### 34. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted a Corporate Social Responsibility (“CSR”) Committee as per the provisions of Section 135 of the Companies Act, 2013. The Company has amended its CSR Policy in line with the amendments introduced in the Companies ((Corporate Social Responsibility) Amendment Rules, 2021 and has also uploaded the amended policy in its website [www.mohindra.asia](http://www.mohindra.asia) in accordance with the statutory provisions.

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

The Company has undertaken activities as per the CSR Policy. The composition of the Committee is provided in the Corporate Governance Report and the Annual report on CSR activities is annexed as **Annexure-VI to the Directors’ Report**.

#### 35. CORPORATE GOVERNANCE

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

A separate report on Corporate Governance as per regulation 34 of the Listing Regulations forms parts of this Annual Report together with a certificate from the Company’s auditors confirming the compliance of conditions of Corporate Governance is annexed as **Annexure B to the Corporate Governance Report**.

#### 36. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to regulation 34 & Schedule V of SEBI Listing Regulations, The Management Discussion and Analysis Report detailing the state of company’s affairs, its business outlook, opportunities and threats, internal control systems and their adequacy, operational performance, risks & concerns, strategies, prospects, Material developments in Human Resources / Industrial Relations etc., is annexed as **Annexure-VII to the Directors’ Report**.

#### 37. SECRETARIAL STANDARDS

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

#### 38. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

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

Adhering to the various requirements set out in the Rules, the Company has vide its letter dated 27.07.2021 communicated individually, the concerned shareholders whose shares are liable to be transferred to the IEPF Authority during the financial year 2021-22 related to financial year 2013-14 for taking appropriate action and simultaneously published the newspaper advertisement for the same.

Your Company has, so far, transferred to IEPF Authority, on respective due dates, all unencashed amount and shares in respect of which dividend(s) for the financial year 2012-13 or before had remained unpaid or unclaimed for a period of seven consecutive years or more i.e. an amount of Rs. 1,76,480 (Rupees One Lakhs

Seventy-Six Thousand Four Hundred and Eighty only) of unpaid/unclaimed dividends and 4500 shares were transferred during the financial year 2020-21 to the Investor Education and Protection Fund (“IEPF”) related to financial year 2012-13, in order to compliance with the provisions of the Rules.

The full details of such shareholders whoes unclaimed dividend and shares are liable to be transferred to the IEPF containing their name, folio number, DP ID-Client ID, unclaimed dividend amount and number of shares are available on the Company’s website at [www.mohindra.asia](http://www.mohindra.asia). Shareholders may please refer to the web-link <http://mohindra.asia/mfl/IEPF.html> to verify their claims.

The Members please be noted that both the unclaimed dividend and the shares once transferred to IEPF Authority including all the benefits accruing on such shares, if any, can be claimed back by them from the IEPF Authority after following the procedure prescribed under the IEPF Rules. The detail of Nodal Officer of the Company is also available on the website of the company [http://mohindra.asia/mfl/shareholder\\_corner.html](http://mohindra.asia/mfl/shareholder_corner.html).

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

### 39. CREDIT RATING

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

ICRA Limited had issued ‘[ICRA] BBB(stable) (pronounced as ICRA triple B) rating to the company for the Rs. 19.00 Crores long term debt facilities and [ICRA] A3+ (pronounced as ICRA A three plus) for the Rs. 20.00 Crores for the short- term debt and These ratings are considered to have moderate degree of safety regarding timely servicing of financial obligations.

These ratings are expected to be improve for this year to BBB+ for long term debt facilities and A2 for the short-term debt facilities, which are due to be issued in due course.

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

### 40. LISTING INFORMATION

The Securities of your company are listed at Metropolitan Stock Exchange of India Limited (MSEI) w.e.f. 30th September, 2016. The scrip was initially listed at Rs. 65.10 and the symbol/scrip code named as “MFL”. The Annual Listing Fees for the year 2021-22 has been paid to the Stock Exchange and there are no arrears. The MSEI has nation-wide trading terminals and therefore provides full liquidity to the investors. Your Company shall take adequate steps to get the scrip traded on MSEI at the earliest.

The shares of the Company are compulsorily traded in dematerialized form and the annual custody fees for the year 2021-22 has been paid to the depositories.

---

## ACKNOWLEDGEMENT

---

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

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

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

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

**For and on behalf of the Board**

**Place: New Delhi**  
**Date: 14.08.2021**

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

## REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2021 on the compliance by the Company the Corporate Governance requirements under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), is furnished below:

### **Our Corporate Governance Philosophy**

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

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

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

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

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

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

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

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

The Chairman of the Board is the leader of the Board. The Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman guides the Board for effective governance structure in the Company.

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

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

### **BOARD OF DIRECTORS**

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

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

As on **31st March, 2021**, the Board consists of 6 (six) Directors, out of which two are Executive Directors and four are Non-Executive Directors i.e. majority of the board; amongst the Non-Executive Directors, three are Independent Directors including a Woman Director.

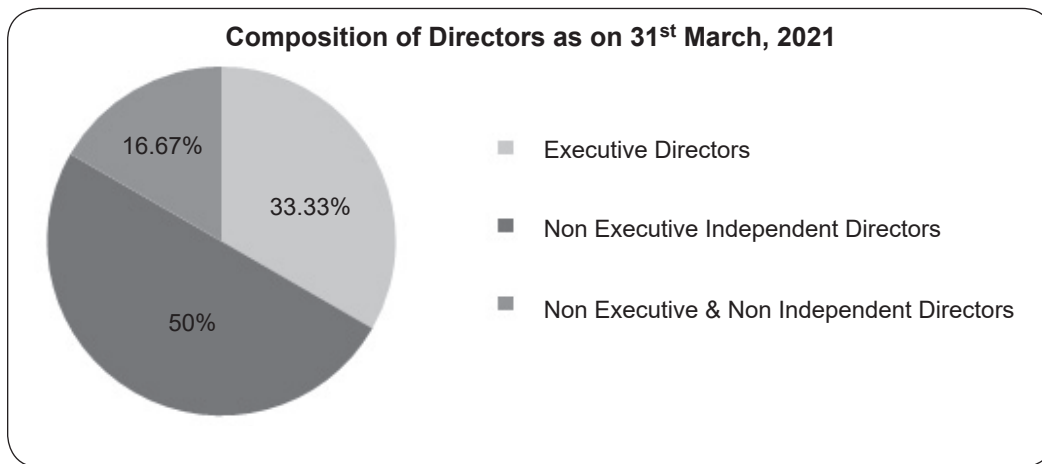
The Board is primarily responsible for overall management of the Company’s business. The directors on the board are from varied fields with suffice range of skills, possess relevant qualifications and experienced general corporate management, finance, banking and other allied fields which enable them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

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

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

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

As on March 31, 2021 and as on the date of this Report, the Board meets the requirement of having at least one woman Director and not less than 1/2 of the Board strength comprising of Non-Executive Directors in compliance with Regulation 17(1) of the SEBI Listing Regulations and other applicable regulatory requirements.



**Details of Board Meetings**

The Company held **4 (Four)** Board Meetings during **Financial Year 2020-2021** and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held is mentioned herein below:

Sr. No.	Date of Board Meeting	Board Strength	Total No. Directors Present at the meeting
1.	29.06.2020	6	4
2.	11.08.2020	6	6
3.	10.11.2020	6	5
4.	10.02.2021	6	5

## MOHINDRA FASTENERS LIMITED

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

Name & DIN of Director	Category	Date of Appointment & Shareholding	No. of other Directorships in other companies (Excluding MFL) and Committee Membership in other Companies (including MFL)#				Name of the listed entities (including MFL) in which the person is a Director and the category of Directorship
			Directorships		Committee Membership		
			Chairman	Member	Chairman	Member	
Mr. Deepak Arneja DIN:00006112	Chairman-Cum Managing Director & CEO	10.01.1995 (570,900)	-	-	-	2	Mohindra Fasteners Limited Chairman cum Managing Director & CEO
Mr. Ravinder Mohan Juneja DIN:00006496	Managing Director	10.01.1995 (505,350)	-	-	-	1	Mohindra Fasteners Limited Managing Director
Mr. Vinod Kumar DIN:02303504	Non-Executive Independent Director	21.12.2013 (2,000)	-	1	2	-	Mohindra Fasteners Limited Non-executive Independent Director
Mrs. Shamoli Thakur DIN:08189763	Non-Executive Independent Director	03.08.2018 (Nil)	-	-	-	-	Mohindra Fasteners Limited Non-executive Independent Director
Mr. Gagandeep Singh Narang DIN:00179636	Non-Executive Director	15.02.2016 (1,11,800)	-	-	-	-	Mohindra Fasteners Limited Non-executive Director
Mr. Ved Prakash Chaudhry DIN: 07572208	Non-Executive Independent Director	30.07.2016 (100)	-	-	-	1	Mohindra Fasteners Limited Non-executive Independent Director

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

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

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

None of the Directors is a member of more than ten Board-level Committees or Chairman of more than five such Committees, as required under Regulation 26 of the SEBI Listing Regulations, 2015, across all companies in which they are Directors. None of the Independent Directors are whole-time directors of any listed entity.

The attendance of each Director at all meetings of Board of Directors and at the last Annual General Meeting held during the FY 2020– 21:

Name of Director	Attendance at the Board Meetings held on				Attendance at AGM held on 29 <sup>st</sup> September, 2020
	29.06.2020	11.08.2020	10.11.2020	10.02.2021	
Mr. Deepak Arneja	Yes	Yes	Yes	Yes	Yes
Mr. Ravinder Mohan Juneja	Yes	Yes	Yes	Yes	Yes
Mr. Vinod Kumar	Yes	Yes	Yes	Yes	Yes
Mrs. Shamoli Thakur	No	Yes	No	No	No
Mr. Gagandeep Singh Narang	No	Yes	Yes	Yes	Yes
Mr. Ved Prakash Chaudhry	Yes	Yes	Yes	Yes	No

The maximum interval between any two meetings was not more than 120 days.

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

**No of Shares held by Non-Executive Directors in the company as on 31st March, 2021:**

Non Executive Directors	No. of Equity Shares of Rs. 10/- each
Mr. Gagandeep Singh Narang	111800
Mr. Vinod Kumar	2000
Mr. Ved Prakash Chaudhry	100
Mrs. Shamoli Thakur	Nil

**Familiarisation Programmes for Independent Directors:**

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

The details of such Familiarisation Programme can be accessed on the website of the Company i.e. [www.mohindra.asia](http://www.mohindra.asia).

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

Category of Directorship	Nature of expertise in specific functional area
Chairman / Executive Directors	General Management / Project Planning & Implementation / Marketing / Sales / Corporate Strategy/ Banking / Human Resources / Financial Expertise
Non-Executive Non-Independent Directors	General Management / Project Planning & Implementation / Marketing / Sales / Corporate Strategy / Financial Expertise
Non-Executive Independent Directors	General Management / Corporate Strategy / Marketing / Sales / banking / Human Resources / Financial Expertise

## MOHINDRA FASTENERS LIMITED

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

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

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

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

**Resignation of Independent Director from the Board of the Company:** During the year under review, no independent director has been resigned from the Company.

### COMMITTEES OF THE BOARD

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

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
<b>Statutory Committees</b>				
<u>AUDIT COMMITTEE</u>	The Terms of Reference / Role of Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations, 2015 as well as in Section 177 of the Companies Act, 2013 which includes, among other things, the following: <ul style="list-style-type: none"> <li>Oversight of the listed entity's financial reporting process.</li> <li>Recommendation for appointment, remuneration and terms of appointment of auditors.</li> <li>Reviewing, with the management, the annual financial statements and auditor's report.</li> <li>Scrutiny of inter-corporate loans and investments.</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>4 (Four) Audit Committee meetings were held during the year as on, 29th June, 2020, 11th August, 2020, 10th November, 2020 and 10th February, 2021 and the gap between two meetings did not exceed one hundred and twenty days.</li> <li>During the year, in every meeting all the Committee members were present.</li> </ul>
		Mr. Vinod Kumar (Chairman)	Non-Executive Independent Director	
		Mr. Deepak Arneja (Member)	Executive Director	
		Mr. Ved Prakash Chaudhry (Member)	Non-Executive Independent Director	



Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance										
	<ul style="list-style-type: none"> <li>Internal financial controls and risk management systems.</li> <li>Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems and reviewing the adequacy of internal audit function.</li> <li>Management discussion and analysis of financial condition and results of operations.</li> <li>Reviewing the statement of significant related party transactions.</li> <li>Internal audit reports relating to internal control weaknesses.</li> </ul> <p>Audit Committee review all the information, listed in Para A &amp; B of Part C of Schedule II of the SEBI Listing Regulations and other applicable provisions, laws, rules and regulations, if any.</p>			<ul style="list-style-type: none"> <li>Committee invites such of the executives, as it considers appropriate. The Chief Financial Officer(CFO), Mr. Sunil Mishra, is an abiding invitee of the Committee meeting.</li> <li>The Company Secretary acts as Secretary to the Audit Meeting.</li> <li>The Chairman of the Audit Committee Mr. Vinod Kumar was present at the 26th Annual General Meeting held on 29th September, 2020 through Video Conference (VC) / Other Audio Visual Means ('OAVM').</li> <li>Recommendations by the Audit Committee: All the recommendations made by the Audit Committee are accepted and implemented by the Board of Directors.</li> </ul>										
<u>NOMINATION AND REMUNERATION COMMITTEE</u>	<p>The scope of the Remuneration policy and terms of the reference of NRC is as per Section 178 of the Companies Act, 2013 and Part D of Schedule II of the SEBI Listing Regulations, 2015, which includes the following matters:-</p> <ul style="list-style-type: none"> <li>The criteria which a person should possess to be considered eligible for appointment as an Independent Director or senior managerial personnel.</li> <li>To formulate the criteria for evaluation of Independent Directors and the Board.</li> <li>To devise a policy on Board diversity.</li> <li>To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.</li> </ul>	<table border="1"> <thead> <tr> <th data-bbox="803 1167 987 1209">Name</th> <th data-bbox="987 1167 1161 1209">Category</th> </tr> </thead> <tbody> <tr> <td data-bbox="803 1209 987 1304">Mr. Vinod Kumar (Chairman)</td> <td data-bbox="987 1209 1161 1304">Non-executive Independent Director</td> </tr> <tr> <td data-bbox="803 1304 987 1465">Mr. Gagandeep Singh Narang (Member)</td> <td data-bbox="987 1304 1161 1465">Non-Executive Non-Independent Director</td> </tr> <tr> <td data-bbox="803 1465 987 1591">Mr. Ved Prakash Chaudhry (Member)</td> <td data-bbox="987 1465 1161 1591">Non-Executive Independent Director</td> </tr> <tr> <td data-bbox="803 1591 987 1862"></td> <td data-bbox="987 1591 1161 1862"></td> </tr> </tbody> </table>	Name	Category	Mr. Vinod Kumar (Chairman)	Non-executive Independent Director	Mr. Gagandeep Singh Narang (Member)	Non-Executive Non-Independent Director	Mr. Ved Prakash Chaudhry (Member)	Non-Executive Independent Director				<ul style="list-style-type: none"> <li>1 (One) Committee meetings were held during the year on 30th March, 2021.</li> <li>All directors were present in the above meeting.</li> <li>Details of Performance Evaluation Criteria and remuneration policy are detailed below to this table.</li> <li>The Chairman of the Nomination &amp; Remuneration Committee Mr. Vinod Kumar was present at the 26th Annual General Meeting held on 29th September, 2020 through Video Conference (VC) / Other Audio Visual Means ('OAVM').</li> </ul>
		Name	Category											
		Mr. Vinod Kumar (Chairman)	Non-executive Independent Director											
		Mr. Gagandeep Singh Narang (Member)	Non-Executive Non-Independent Director											
Mr. Ved Prakash Chaudhry (Member)	Non-Executive Independent Director													

# MOHINDRA FASTENERS LIMITED

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance									
	<ul style="list-style-type: none"> <li>To decide whether to extend or continue the term of appointment of Independent Director, based on the report of performance evaluation of independent directors.</li> <li>Remuneration for the Key Managerial Personnel (i.e. Managing Director, Whole-time Director, Manager, CEO, CFO and Company Secretary); and</li> <li>To recommend to the Board, all remuneration, in whatever form, payable to senior management and other employees</li> </ul> <p>The Nomination &amp; Remuneration Committee review all the information, listed in Para A of Part D of Schedule II of the SEBI (LODR) Regulation, 2015, and other applicable provisions, laws, rules and regulations of the Companies Act, 2013.</p>												
<u>STAKEHOLDER'S RELATIONSHIP COMMITTEE</u>	<p>The terms of references of Committee is as per the provisions of Regulation 20 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 178 of the Act.</p> <ul style="list-style-type: none"> <li>Consider and resolve the grievances of security holders.</li> <li>Consider and approve issue of share certificates, transfer and transmission of securities, etc.</li> <li>Redressal of serious complaints received from shareholders/ investors on non-receipt of shares after transfer in the physical form, complaints on Non-receipt of annual report, Non receipt of declared dividends etc.</li> <li>Set forth the policies relating to and to oversee the implementation of policy for Prevention of Insider and to review the concerns received under the MFL Code of Conduct.</li> </ul> <p>The Stakeholder's Relationship Committee review all the information, listed in Para B of Part D of Schedule II of the SEBI (Listing Obligation &amp; Disclosure Requirements) Regulation, 2015, and other applicable provisions, laws, rules and regulations of the Companies Act, 2013.</p>	<table border="1"> <thead> <tr> <th data-bbox="808 970 984 1010">Name</th> <th data-bbox="990 970 1159 1010">Category</th> </tr> </thead> <tbody> <tr> <td data-bbox="808 1018 984 1129">Mr. Vinod Kumar (Chairman)</td> <td data-bbox="990 1018 1159 1129">Non-Executive Independent Director</td> </tr> <tr> <td data-bbox="808 1138 984 1226">Mr. Deepak Arneja (Member)</td> <td data-bbox="990 1138 1159 1226">Executive Director</td> </tr> <tr> <td data-bbox="808 1234 984 1323">Mr. Ravinder Mohan Juneja (Member)</td> <td data-bbox="990 1234 1159 1323">Executive Director</td> </tr> <tr> <td data-bbox="808 1331 984 1904"></td> <td data-bbox="990 1331 1159 1904"></td> </tr> </tbody> </table>	Name	Category	Mr. Vinod Kumar (Chairman)	Non-Executive Independent Director	Mr. Deepak Arneja (Member)	Executive Director	Mr. Ravinder Mohan Juneja (Member)	Executive Director			<ul style="list-style-type: none"> <li>09 (Nine) Committee meetings were held during the year on 29th June, 2020, 29th July, 2020, 31st August, 2020, 30th September, 2020, 5th November, 2020, 14th December, 2020, 29th January, 2021, 25th February, 2021 and 30th March, 2021.</li> <li>During the year, all the Committee Members were present in the above meeting.</li> <li>The Company Secretary acts as Secretary to the committee.</li> <li>During the year, 8 (Eight) complaints were received from shareholders / investors and other agencies, which have been resolved to the satisfaction of the shareholders. There are no pending Complaint as at 31st March, 2021.</li> </ul>
		Name	Category										
		Mr. Vinod Kumar (Chairman)	Non-Executive Independent Director										
		Mr. Deepak Arneja (Member)	Executive Director										
Mr. Ravinder Mohan Juneja (Member)	Executive Director												
Mr. Vinod Kumar (Chairman)	Non-Executive Independent Director												
Mr. Deepak Arneja (Member)	Executive Director												
Mr. Ravinder Mohan Juneja (Member)	Executive Director												

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
				<ul style="list-style-type: none"> <li>The Chairman of the Stakeholder Relationship Committee Mr. Vinod Kumar was present at the 26th Annual General Meeting held on 29th September, 2020 through Video Conference (VC) / Other Audio Visual Means ('OAVM').</li> </ul>
<b>Statutory Committees</b>				
<u>CORPORATE SOCIAL RESPONSIBILITY</u>	<p>The terms of references of the Committee are as provisions of Companies Act.</p> <ul style="list-style-type: none"> <li>Formulate and recommend to the board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.</li> <li>Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.</li> <li>Monitor the CSR Policy.</li> <li>Review all other matters as applicable under any provisions, laws, rules and regulations of the Companies Act, 2013.</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>1(One) Committee meeting was held during the year on 10th November, 2020.</li> <li>During the year, all the Committee Members were present in the above meeting.</li> </ul>
		Mr. Deepak Arneja (Chairman)	Executive Director	
		Mr. Ravinder Mohan Juneja (Member)	Executive Director	
		Mr. Vinod Kumar (Member)	Non Executive Independent Director	
<u>PREVENTION OF SEXUAL HARASSMENT COMMITTEE (POSH)</u>	<p>The Company had constituted Prevention of Sexual Harassment (Posh) Committee (Earlier named as internal complaints committee for women) which entertains the complaints made by any aggrieved women to look into complaints relating to sexual harassment of any women employee at work place.</p>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>01 (One) Committee meeting was held during the year on 30th March, 2021.</li> <li>Company has adopted this policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy with effect from 30th January, 2015.</li> </ul>
		Ms. Nidhi Pathak (Presiding Officer)	Company Secretary	
		Mrs. Dimpay Makar	Asst. Manager-Exports	
		Mr. Vinod Sharma	Manager, Personnel & Administration Dept.	
		Mr. Feroze Abbasi	Member of NGO	

#### Separate Meeting of Independent Directors:

During the financial year 2020-21, All Independent Directors met once on 30th March, 2021 without the presence of Executive and Non-executive Directors and members of Management, inter-alia for:

1. Reviewing the performance of Non Independent Directors and the Board of Directors as a whole.
2. Reviewing the performance of the Chairman of the company taking into account the views of Executive and Non- Executive Directors.

3. Assessing the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Views of the Independent Directors were communicated to the Board regarding suggestion to strengthen corporate governance norms, Board effectiveness, compliance management and/or any other changes, as may be deemed appropriate in the best interest of the company.

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

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

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

### **Performance Evaluation Criteria for IDs**

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

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

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

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

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Directors and the Executive Directors.

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

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

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

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

### **DETAILS OF REMUNERATION FOR 2020 - 21**

- The aggregate value of salary, perquisites and commission paid to Mr. Deepak Arneja, Chairman cum Managing Director & CEO, during the year **2020-21** is Rs. **43,68,212/-** comprising:

Salary	Rs. 27,37,500
Allowances and Perquisites	Rs. 16,30,712
Commission	NIL
Period of Agreement	Re-appointed w.e.f. 01st July, 2020 for a period of five years i.e. 30th June, 2025.

Notice period	The Agreement may be terminated by either party, giving the other party three months' notice.
Severance fees	NIL
Stock Options	NIL

- The aggregate value of salary, perquisites and commission paid to Mr. Ravinder Mohan Juneja, Managing Director, during the year **2020-21** is **Rs. 40,18,212/-** comprising:

Salary	Rs. 27,37,500
Allowances and Perquisites	Rs. 12,80,712
Commission	NIL
Period of Agreement	Re-appointed w.e.f. 31st March, 2020 for a period of five years i.e to 30th March, 2025.
Notice period	The Agreement may be terminated by either party, giving the other party three months' notice.
Severance fees	NIL
Stock Options	NIL

- The details of sitting fees paid during the financial year 2020-21 comprising:

Particulars	Name of Non-Executive Directors				Total Amount
	Vinod Kumar	Ved Prakash Chaudhry	Shamoli Thakur	Gagandeep Singh Narang	
	Independent	Independent	Independent	Non-Independent	
Fee for attending board/ committee meetings	40000	40000	10000	30000	120000
Commission					
Others, please specify					
Total	40000	40000	10000	30000	120000

The tenure of office of Managing Directors / Whole-Time Director is for five years from their respective dates of appointment. The sitting fees paid to non-executive directors and independent directors are within the limit prescribed under the Companies Act, 2013. Sitting fee indicated above includes payment for Board-level meetings. There is no separate provision for payment of severance fees. The notice period is mutually agreed between the Directors and the Board. The Company does not have any stock option scheme. Other than above mentioned fees, no other remuneration is paid to non-executive directors. The Company has no pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report. The criteria of making payments to non-executive Directors incorporated in the Nomination & Remuneration Policy which may be accessed on the website of the company [www.mohindra.asia](http://www.mohindra.asia).

## MOHINDRA FASTENERS LIMITED

### GENERAL BODY MEETINGS

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

AGM	YEAR	VENUE	DATE/DAY	TIME	SPECIAL RESOLUTIONS
26th	2019-20	Through Video Conferencing & other Audio Visual Means (VC/ OAVM)	29.09.2020 (Tuesday)	11.30 A.M.	No Special Resolution was passed
25th	2018-19	Le Pacific Outdoor Catering Banquet at 31/35, Main Rohtak Road, Punjabi Bagh West, Opp. Metro Pillar No 142, New Delhi 110026	21.09.2019 (Saturday)	11.30 A.M.	To approve the re-appointment of Mr. Vinod Kumar (DIN: 02303504) as an Independent Director of the Company for a second term of 5(five) years.
24th	2017-18	Apsara Grand Banquet Halls, A- 1/20B, Paschim Vihar, Rohtak Road, Near Paschim Vihar West Metro Station, Pillar No. 255, New Delhi -110063	28.09.2018 (Friday)	11.30 A.M.	To approve the Reclassification of the Shareholders from the Promoters' Group Category.

No Extra-ordinary General Meeting of the shareholders was held during the year 2020-21.

- b) **Postal Ballot**

No resolution was passed through postal ballot voting process during the financial year 2020-21.

### MEANS OF COMMUNICATION

- The quarterly, half yearly and the annually results, published as per the Listing Agreement or SEBI Listing Regulations as applicable, are approved and taken on record by the Board of Directors of the Company on the recommendation of Audit Committee within the stipulated time limit from the close of the relevant quarter. The results are also published within 48 hours in "Financial Express" (English Newspaper All India Edition) and "Jansatta" (Hindi Newspaper Local Edition). These are not sent individually to the shareholders.
- The Financial results are displayed on the Company's website at [www.mohindra.asia](http://www.mohindra.asia) under the Investors' Section/Link and also in the website of Metropolitan Stock Exchange of India Limited (MSEI). The approved results are being furnished to Metropolitan Stock Exchange of India Limited (MSEI), where the Company's shares are listed.
- No presentation was made to the institutional investors / analysts.
- Comprehensive information about the Company, its business and operations and press releases can be viewed on the Company's website. The "Investor" section on the website gives information relating to financial results, annual reports, shareholding pattern, Corporate Governance Report, Codes, Policies, Programmes etc.
- Quarterly shareholding patterns are mandatorily filing in XBRL Mode at the MSE Listing Centre (for XBRL Filings): <https://xbrl.msei.in> and also uploaded on MY LISTING Portal.
- Material events or information, as detailed in Regulation 30 of the SEBI Listing Regulations, are disclosed are also displayed on the Company's website under the "Investor" section at website.
- Information about unclaimed or unpaid dividends are also available on the website of the Company i.e. [www.mohindra.asia](http://www.mohindra.asia).
- The Company sends an annual reminder to shareholders who have not claimed their dividends and consequently their shares and urging them to opt for ECS as the mode for receiving dividends.

## GENERAL SHAREHOLDERS INFORMATION

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

### a) Annual General Meeting:

- Date and Day** : **Thursday, September 23, 2021.**
- Venue** : **Meeting is being conducted through video conferencing ('VC')/ other audio visual means ('OAVM') pursuant to the MCA circulars May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of AGM.**
- Time** : **11.30 A. M.**
- Book Closure Dates** : **Friday September 17, 2021 to Thursday September 23, 2021 (both days inclusive).**
- Dividend Payment date for dividends declared during FY 2020-2021** : **Interim Dividend- Financial Year 2020-21- Paid on March 1, 2021.**
- Dividend Announcement** : The Board of Director of the company has recommended a final dividend at the rate of Rs. 3.00 (30%) of the face value of Rs. 10/- each, at their duly convened board meeting held on June 26, 2021, subject to the approval of the shareholders at the 27th Annual General Meeting.

The Ministry of Corporate Affairs vide its circular dated 13th January, 2021 in continuation of previous circulars dated 8th April, 2020, 13 April 2020 and 5th May, 2020 has provided an option to Companies to conduct Annual General Meeting during the Calendar Year 2021 through "VC or OAVM" and send financial statements (including board's report, auditors report and other documents to be attached therewith) through email only.

Accordingly, the Annual Report of the Company for the year 2020-21 along with Notice of AGM are being sent to the members by email only, and all other persons/entities entitled to receive the same and that the 27th Annual General Meeting will be convened through VC or OAVM.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in de-mat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company\ Registrar and Share Transfer Agent "Skyline Financial Services Private Limited" at [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia) / [compliances@skylinerta.com](mailto:compliances@skylinerta.com).

### Payment of dividend

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

### Tentative Financial Calendar 2021 - 22 (April to March)

The Company expects to announce the Unaudited Quarterly Results for the year 2021 - 22, as per the following schedule:

Financial Reporting for the Quarter ending June 30, 2021	Upto 14th August, 2021
Limited Review Report for the Quarter ended on June 30, 2021	Upto 14th August, 2021

## MOHINDRA FASTENERS LIMITED

Financial Reporting for the Quarter ending September 30, 2021 and Half-year results	Upto 14th November, 2021
Limited Review Report for the Quarter ended on September 30, 2021	Upto 14th November, 2021
Financial Reporting for the Quarter ending December 31, 2021	Upto 14th February, 2022
Limited Review Report for the Quarter ended on 31 December, 2021	Upto 14th February, 2022
Financial Reporting for the Quarter ending March 31, 2022 and Year ended Results	Upto 30th May, 2022
Audited Report for the Quarter and year ended March 31, 2022	Upto 30th May, 2022

The Audited Financial Results of the Company for the year 2021– 2022 will be announced on or before 30th May, 2022 which will include the results of the fourth quarter of the year 2021 - 2022.

**(b) Financial Year:** April, 2020 to March, 2021.

**(c) Dividend payment date:** on or before 22nd October, 2021.

**Record Date:** Thursday, September 16, 2021 for payment of dividend.

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

The Securities of your company are listed at Metropolitan Stock Exchange of India Limited (MSEI). The scrip was initially listed at Rs. 65.10 and the symbol/scrip code named as “MFL”. The Annual Listing Fees for the year 2021-22 has been paid to the Stock Exchange and there are no arrears. The MSEI has nation-wide trading terminals and therefore provides full liquidity to the investors.

The Company is planning to get its securities listed on the main boards i.e. Bombay Stock Exchange (BSE) and/or National Stock Exchange (NSE) in the coming years.

**(e) Other Information:**

- Listing of Equity Shares on Stock Exchange at:  
METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED (MSEI)  
Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070.
- Series and Symbol (stock code): BE - MFL
- De-mat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares:  
INE705H01011

**(f) Market Information:**

Since the shares of the Company were not traded on Metropolitan Stock Exchange of India Limited during the financial year 2020-21, Market price data of Metropolitan Stock Exchange of India Limited is not available.

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

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

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

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

**Address for Correspondence:**

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

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

New Delhi - 110020

Website: [www.skylinerta.com](http://www.skylinerta.com) E-mail: [compliances@skylinerta.com](mailto:compliances@skylinerta.com)

Ph: +91-11-40450193-97

Fax: 011- 26812682



### (j) Share Transfer System

94.02% of the equity shares of the Company are in de-mat form. In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities, issue of duplicate share certificate, non-receipt of declared dividend, etc. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in de-mat mode. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

All share transfers in physical form are processed by the Company's Registrar and Share Transfer Agent (RTA), Skyline Financial Services Pvt. Ltd. Share transfer / Remat / demat requests are processed within the timelines stipulated by SEBI Regulations. Our RTA has adequate infrastructure to process all share transfers related transactions. The RTA has powers to transmission of shares, transposition of shares, consolidations of shares, split of shares, change of name, issue of new share certificates in lieu of old / mutilated certificates, dematerialization of shares and rematerialisation of shares ("Transactions") and rejection of the said transactions on technical grounds as per the regulations provided after duly consulting with the Company Secretary of the Company.

Later, Stakeholders' Relationship Committee takes on record the approved transactions. The Company's Stakeholders' Relationship Committee generally meets once in every month to approve or take on record the above such transactions viz to register the request for non-receipt of dividend, issue of duplicate shares, request for transposition and transmission of shares or any other matter/complaint as received from SCORES as well.

#### Reconciliation of Share Capital Audit

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

### (k) Distribution of Shareholding as on 31.03.2021

Range of Share holding Nominal Value	No. of Shareholders	Percentage of Shareholders	Total No. of Shares Held	Total percentage of Shareholding
Up to 5000	253	49.90	619360	1.16
5001 – 10000	122	24.06	11890000	22.20
10001 – 20000	47	9.27	864460	1.61
20001 – 30000	22	4.34	573000	1.07
30001 – 40000	5	0.99	174180	0.33
40001 – 50000	12	2.37	586000	1.09
50001 – 100000	16	3.16	1323000	2.47
100001 & above	30	5.92	48239000	90.05
<b>Total</b>	<b>507</b>	<b>100</b>	<b>53568000</b>	<b>100</b>

## MOHINDRA FASTENERS LIMITED

### Categories of Shareholding of the Company as on 31.03.2021

Category		Nos. of Shares held	Percentage of Holding
A	<b>Promoter and Promoter Group</b>		
	1. Indian Promoters	37,74,700	70.47
	2. Foreign Promoters	-	-
	<b>Sub-Total (A)</b>	<b>37,74,700</b>	<b>70.47</b>
B	<b>Public Shareholding</b>		
	1. <u>Institutional Investors</u>		
	- Mutual Funds & UTI	19600	0.37
	- Banks, Financial Institutions, Insurance Companies	-	-
	- Central Government/State Government(s)	-	-
	- Foreign Institutional Investors	-	-
	- Others	-	-
	2. <u>Non-Institutional Investors</u>		
	- Bodies Corporate	83,700	1.56
	- Individuals	14,48,950	27.05
	- NRIs	-	-
	- Clearing members	-	-
	- HUF	3450	0.06
	- Others-IEPF	26400	0.49
	<b>Sub-Total (B)</b>	<b>15,82,100</b>	<b>29.53</b>
	<b>Grand Total (A+B)</b>	<b>53,56,800</b>	<b>100.00</b>

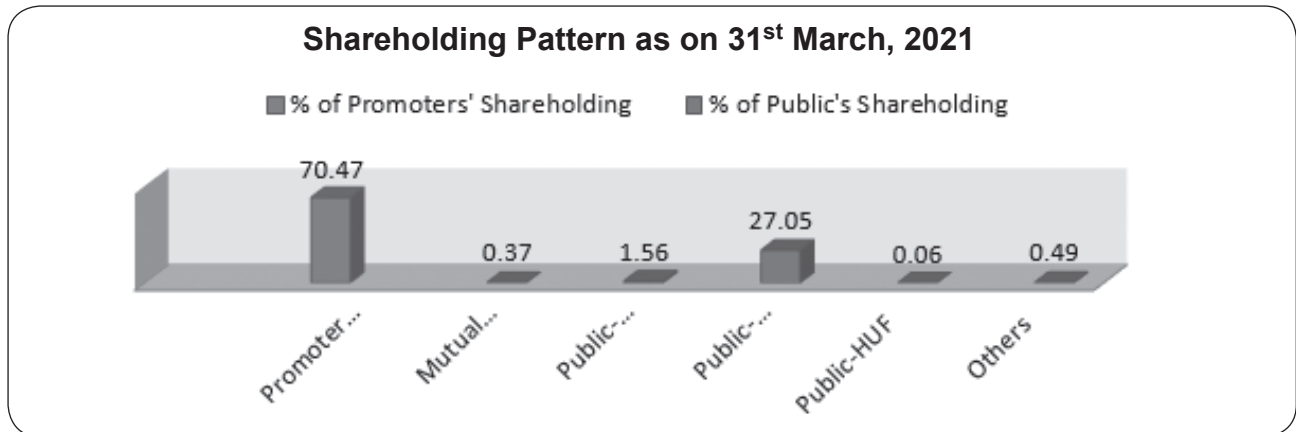
#### (I) Dematerialization of Shares and Liquidity

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

94.02% of total equity capital (including holding of promoter companies) is held in dematerialised form with NSDL and CDSL as on March 31, 2021.

The break-up of equity shares held in Physical and Dematerialized form as on March 31st, 2021, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	320100	05.98
NSDL	2444821	45.64
CDSL	2591879	48.38
<b>Total</b>	<b>5356800</b>	<b>100.00</b>



Annual Custody Fees for the year 2021-22 has been paid to both the depositories of the Company, namely National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL).

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

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

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

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

**(o) Plant Locations**

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

<b>Plant-I</b>	<b>Plant-II</b>
60 <sup>th</sup> K. M. Stone, Delhi–Rohtak Road N. H. No. 10, V & P.O. Kharawar, District Rohtak, Haryana-124001	60 <sup>th</sup> K. M. Stone, Delhi–Rohtak Road N. H. No. 10, V & P.O. Gandhra, District Rohtak, Haryana-124001
<b>Plant-IV</b>	<b>Plant-III (Under construction)</b>
70 <sup>th</sup> K. M. Stone, Delhi–Rohtak Road N. H. No. 10, V & P.O. Kharawar, District Rohtak, Haryana-124001	Plot No. 42, 43 & 44, Sector-31B, IMT Rohtak, Haryana

**(p) Address for Correspondence:**

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

**Ms. Nidhi Pathak**

Company Secretary & Compliance Officer

304, Gupta Arcade, Inder Enclave,

Delhi-Rohtak Road, New Delhi-110087

Tel:+91-11-46200400 Fax:+91-11 46200444 Direct:+91-11-46200406

Exclusive Email id for redressal of investor complaints:

Email: [csnidhipathak@mohindra.asia](mailto:csnidhipathak@mohindra.asia)

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

## MOHINDRA FASTENERS LIMITED

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

ICRA Limited has issued '[ICRA] BBB(stable) (pronounced as ICRA triple B) rating to the company for the long term debt facilities and [ICRA] A3+ (pronounced as ICRA A three plus) for the short term debt facilities.

These ratings are expected to be improve for this year to BBB+ for long term debt facilities and A2 for the short-term debt facilities, which are due to be issued in due course.

### DISCLOSURE:

Particulars	Regulations	Details	Website Links for details of policy
Materially Significant Related Party Transactions during the year ended March 31, 2021.	Regulation 23 of SEBI Listing Regulations and as defined under the Companies Act, 2013.	<p>There were no materially significant related party transactions made by the Company with its Promoters, their Directors or Management or relatives etc. that may have potential conflict with the interests of the Company at large.</p> <p>All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and were approved by the Audit Committee and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required Ind AS-24 has been made in the notes to the Financial Statements.</p> <p>The necessary details of related party transaction are prescribed in Form AOC 2 is enclosed with this Annual Report.</p> <p>The POLICY ON DEALINGS &amp; MATERIALITY OF RELATED PARTY TRANSACTIONS placed on the website of the Company.</p>	<a href="http://mohindra.asia/mfl/pdfs/DONE-RELATED-PARTY_POLICIES.pdf">http://mohindra.asia/mfl/pdfs/DONE-RELATED-PARTY_POLICIES.pdf</a>
Details of Non-compliance by the Company, penalty, strictures imposed on the Company by the Stock Exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years.	Schedule V Part C Point 10(b) to the SEBI (LODR) Regulations, 2015.	<p>Neither there were any non-compliances, nor any penalties or strictures have been imposed on your company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.</p> <p>The Company has complied with all the applicable provisions of Listing Regulations, other guidelines/ regulations issued by the Securities and Exchange Board of India (SEBI) and applicable provisions of other statutes.</p> <p>The Company has complied with all the mandatory requirements as per the provisions of Regulation 34, 53 and Schedule V of the Listing Regulations.</p>	N.A

Particulars	Regulations	Details	Website Links for details of policy
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI (LODR) Regulations, 2015.	<p>Pursuant to Sections 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, 2015, the Company has established a Vigil Mechanism through a Whistle Blower Policy. The policy enables stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices, if any, reporting of concerns by directors and employees about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy or any other genuine concerns or grievances, to provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairman of the Audit Committee.</p> <p>During the year under review no personnel have either approached the Audit Committee or been denied access to the Audit Committee.</p> <p>The details about the Whistle Blower Policy can be accessed on the website of the Company.</p>	<a href="http://mohindra.asia/mfl/pdfs/vigil-mechanism.pdf">http://mohindra.asia/mfl/pdfs/vigil-mechanism.pdf</a>
Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015, relating to Corporate Governance	Regulation 27(1) as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015.	<p>The Company has complied with all mandatory requirements and The Company has also adopted few non-mandatory requirements listed in Regulation 27(1) as specified in Part E of Schedule II of the SEBI Listing Regulations and status of compliance with the same is as under:</p> <ul style="list-style-type: none"> <li>• Office for non-executive Chairman at company's expense: The Chairman of the Company is an Executive Director (Chairman and Managing Director). Hence, disclosure under this head does not arise.</li> <li>• Shareholder's Right: The quarterly / half yearly/annual results, after they are taken on record by the Board of Directors communicated to the stock exchanges. The Quarterly and half yearly financial results, performance including summary significant events are published in the newspapers and posted on the company's website.</li> </ul>	N.A.

## MOHINDRA FASTENERS LIMITED

Particulars	Regulations	Details	Website Links for details of policy
		<ul style="list-style-type: none"> <li>Modified opinion(s) in Audit Report: There is no audit qualification with regard to financial statements in the Auditors' Report or qualification or adverse remark by the Company Secretary in Practice in their Secretarial Audit Report for financial year 2020-21.</li> <li>Reporting of Internal Auditor: The Internal Auditors of the Company make quarterly presentations to the audit committee on their report.</li> </ul>	
Accounting Treatment and Compliance with Accounting Standards	Companies (Indian Accounting Standards (IND AS) Rules, 2015 and Indian GAAP under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014	<ul style="list-style-type: none"> <li>The Company has followed and prepared the Financial Statements in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed in India.</li> <li>The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.</li> <li>In the preparation of Financial Statements the Company had adopted Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013.</li> </ul>	N.A.
CEO & MD/ CFO Certification	Regulation 17(8) and Part B of Schedule II of SEBI Listing Regulations	<ul style="list-style-type: none"> <li>The Managing Director &amp; CEO and the Chief Financial Officer have certified to the Board and have issued certificate, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs for the Financial Year ended 31st March, 2021.</li> <li>The said Certificate is enclosed as <b>Annexure-A</b> to the Corporate Governance Report.</li> </ul>	N.A.
Auditors' Certificate on Corporate Governance	Para E of Schedule V of SEBI Listing Regulations	A Compliance Certificate from Statutory Auditors M/s B.L. Khandelwal & Co., (Chartered Accountants) of the company, in pertaining to the compliance of conditions of corporate governance is enclosed as <b>Annexure-B</b> to the Corporate Governance Report.	

Particulars	Regulations	Details	Website Links for details of policy
Code of Conduct	Para D of Schedule V of SEBI (LODR) Regulations, 2015.	<ul style="list-style-type: none"> <li>The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company.</li> <li>The code of conduct is available on the website of the Company.</li> <li>All Board members and senior management personnel have affirmed compliance with the code of conduct applicable to them during the year ended March 31, 2021.</li> <li>The Code of Conduct has incorporated the duties of independent directors as laid down under the Companies Act, 2013.</li> <li>A declaration signed by the Managing Director &amp; CEO is enclosed as <b>Annexure-C</b> to the Corporate Governance Report.</li> </ul>	<a href="http://mohindra.asia/mfl/policies_and_code.html">http://mohindra.asia/mfl/policies_and_code.html</a>
Certificate from Practicing Company Secretary	Regulation 34(3) read with Schedule V Para C(10)(i) to the SEBI (LODR) Regulations, 2015.	<ul style="list-style-type: none"> <li>A certificate from a Practicing Company Secretary has to be obtained regarding the fact that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.</li> <li>A Certificate from M/s Anand Nimesh &amp; Associates, Company Secretary in practice, Secretarial Auditors of the company is enclosed as <b>Annexure-D</b> to the Corporate Governance Report.</li> </ul>	N.A.
Prevention of Insider Trading	SEBI (Prohibition of insider trading) (Amendment) Regulations, 2018.	<ul style="list-style-type: none"> <li>The Company has amended the code of Internal Procedures and Conduct for regulating, monitoring and reporting trading by designated persons and Code of fair disclosure of unpublished price sensitive information in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 w.e.f. April 1, 2019</li> </ul>	<a href="http://mohindra.asia/mfl/policies_and_code.html">http://mohindra.asia/mfl/policies_and_code.html</a>

**Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):** The Company has not raised funds through preferential allotment or qualified institutions placement during the financial year 2020-2021.

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

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

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

## MOHINDRA FASTENERS LIMITED

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

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

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

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

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

The company has submitted the quarterly compliance reports on corporate governance to the stock exchange within the timelines prescribed by the SEBI for all the quarters during the financial year 2020-21.

### Disclosures with respect to de-mat suspense account / unclaimed suspense account:

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



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

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

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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21 are as follows:

<b>Name of Director/KMP</b>	<b>Designation</b>	<b>Ratio of remuneration of each director/to median remuneration of employees</b>	<b>% increase in remuneration in the financial year 2020-2021</b>
Mr. Ravinder Mohan Juneja	Managing Director	13.93	14.42
Mr. Deepak Arneja	Managing Director & CEO	13.93	14.42
Mr. Gagandeep Singh Narang	Non- Executive Director	*1.14	-----
Mr. Vinod Kumar	Non-executive Independent Director	*1.53	-----
Mr. Ved Prakash Chaudhry	Non-executive Independent Director	*1.53	-----
Mrs. Shamoli Thakur	Non-executive Independent Director	*0.38	-----
Mr. Sunil Mishra	Chief Financial Officer	N.A.	8.10
Ms. Nidhi Pathak	Company Secretary	N.A.	9.68

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

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

## MOHINDRA FASTENERS LIMITED

- (ii) The median remuneration of employees of the Company during the financial year 2020-21 was Rs. 26210 on the basis of monthly remuneration of all employees except the executive directors of the company.
- (iii) In the Financial year, there was an increase of 10.82% in the median remuneration of Employees.
- (iv) There were 318 Permanent Employees on the rolls of Company as on 31st March, 2021.
- (v) Average percentile increase already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- The average percentage increase in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 4.26% whereas the increase in the managerial remuneration for the same financial year was 12.64%. Managerial personnel include Managing Directors, CFO and CS.
- The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also as per the market trend.
- (v) Affirmation that the remuneration is as per the Remuneration Policy of the Company;
- It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (vi) During the financial year 2020-21, no employee received remuneration in excess of highest paid Director.

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

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

- During the financial year 2020-21, no employee of the Company received remuneration of one crore and two lakh rupees or more per annum while working for the whole year or at the rate of eight lakh and fifty thousand rupees per month while working for a part of the year;
- During the financial year 2020-21 or part thereof, no employee of the Company received remuneration in excess of the remuneration drawn by Managing Director, Whole-Time Director or Manager (if any). During the financial year 2020-21 no employee of the Company (by himself or along with his spouse and dependent children), was holding two percent or more of the equity shares of the Company;
- During the financial year 2020-21, no employee of the Company, resident in India, posted and working in a country outside India, not being Directors or their relatives, had drawn more than sixty lakhs rupees per year or five lakhs rupees per month.

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

Sr. No.	Name & Designation	Remuneration	Nature of Employment, whether contractual or otherwise	Qualification & Experience	Date of Joining & Age (MM/DD/YYYY)	Last employment, if any	% of Equity Shares held, if any	Nature of relationship
1.	Mr. Sunil Mishra (Chief Financial Officer)	2,27,000	Pay Roll	B.COM, LLB More than 35 years of Experience	11/1/1996 59 years	-	500	-
2.	Mr. Dheeraj Juneja (G.M. (Supply Chain Management))	2,11,500	Pay Roll	Senior Secondary 18 years of Experience	10/1/2000 39 years	RR Metal Finishers	157100	Son of Mr. Ravinder Mohan Juneja (Managing Director)

3.	Mr. Anurag Arneja (Director-Operations)	2,11,000	Pay Roll	Graduate in Arts 30 years of Experience	4/1/2014 54 years	MSPL, Delhi	580100	-
4.	Mr. Prateek Arneja (G.M (Sales And Marketing))	2,07,500	Pay Roll	MBA in Marketing 17 years of Experience	11/1/2005 39 years	SKOL Breweries Limited	26700	-
5.	Mr. Sudhir Arneja (Director-Operation)	1,99,900	Pay Roll	B.com & M.A. 43 years of Experience	4/1/1999 66 years	MSPL, Delhi	392400	Brother of Mr. Deepak Arneja (Managing Director & CEO)
6.	Mr. Robins T. Perumpanany A.G.M. (Production)	1,61,000	Pay Roll	3 years Diploma in Tools & die 35 years of Experience	09/11/2017 55 years	UPS Ltd Rohtak	-	-
7.	Mr. R. Srinivasan (A.G.M.)	1,27,000	Retainership	B.SC. 42 Years of Experience	08/01/2017 64 Years	Caparo Fasteners Bhiwadi	100	
8.	Mr. Suman Jha (Sr.Manager-PPC )	1,12,500	Pay Roll	B.Sc. Chem (Hons) 22 Years of Experience	10/10/2018 47 Years	Viraj Profiles Limited	-	-
9.	Mr. Rishi Chopra (Sr. Manager (Product Management)	1,11,385	Pay Roll	M.B.A. & Diploma in Mech. Engineering 27 Years of Experience	19/10/2020 47 Years	Gen Next	-	-
10.	Mr. Vinod Kumar Sharma (Sr. Manager - Personnel)	1,06,600	Pay Roll	Master of Social Work (MSW) 27 years of experience	21/05/2007 52 Years	LPS Ltd. Rohtak	100	-

**Note:** The above mentioned salary or remuneration details of employees or managerial personnel have been taken on the basis of their last drawn monthly gross salary excluding bonus amount of FY 20-21 for easy and fair calculations.

**For and on behalf of the Board**

**Place: New Delhi**  
**Date: 14.08.2021**

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

**ANNEXURE II TO THE DIRECTOR'S REPORT**  
**DECLARATION OF INDEPENDENCE**

To

Date: 15.06.2020

**The Board of Directors**

**Mohindra Fasteners Limited**

**304, Gupta Arcade, Inder Enclave,**

**Delhi-Rohtak Road,**

**New Delhi-110087**

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

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

I hereby certify that:

- (i) I am a person of integrity and possesses relevant expertise and experience;
- (ii) Neither I was nor I am a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the company;
- (iii) Neither I was nor I am related to promoters or directors in the company, its holding, subsidiary or associate company;
- (iv) Apart from receiving director's sitting fees, I have/had no material pecuniary relationship/transactions with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (v) none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (vi) Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (A) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - 1) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - 2) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - (B) holds together with my relatives 2% or more of the total voting power of the company; or
  - (C) is a Chief Executive or director, by whatever name called, of any non profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
  - (D) a material supplier, service provider or customer or a lessor or lessee of the company;
- (vii) I am not less than 21 years of age.

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

#### **Declaration**

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

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

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

**Thanking you,  
Yours faithfully,**

**Vinod Kumar  
DIN: 02303504  
11096, Doriwalan East Park Road,  
Karol Bagh, New Delhi-110005**

**DECLARATION OF INDEPENDENCE**

Dated: 18.06.2020

To

**The Board of Directors**

**Mohindra Fasteners Ltd.**

**304, Gupta Arcade, Inder Enclave,**

**Delhi-Rohtak Road,**

**New Delhi-1100087**

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

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

I hereby certify that:

- (i) I am a person of integrity and possesses relevant expertise and experience;
- (ii) Neither I was nor I am a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the company;
- (iii) Neither I was nor I am related to promoters or directors in the company, its holding, subsidiary or associate company;
- (iv) Apart from receiving director's sitting fees, I have/had no material pecuniary relationship/transactions with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (v) none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (vi) Neither me nor any of my relatives:
  - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (A) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - 1) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - 2) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - (B) holds together with my relatives 2% or more of the total voting power of the company; or
  - (C) is a Chief Executive or director, by whatever name called, of any non profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
  - (D) a material supplier, service provider or customer or a lessor or lessee of the company;
- (vii) I am not less than 21 years of age.
- (viii) I am not a non-independent director of another company on the board of which any non-independent director of the company is an independent director.

(ix) Neither I was nor I am aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact my ability to discharge my duties with objective independent judgments and without any external influence.

#### **Declaration**

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

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

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

**Thanking you,**

**Yours faithfully,**

**Shamoli Thakur**

**DIN: 08189763**

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

**Gurgaon- 122001, Haryana**

**DECLARATION OF INDEPENDENCE**

**Dated:-08.06.2020**

To

**The Board of Directors**

**Mohindra Fasteners Limited**

**304, Gupta Arcade, Inder Enclave,**

**Delhi-Rohtak Road,**

**New Delhi-1100087**

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

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

I hereby certify that:

- (i) I am a person of integrity and possesses relevant expertise and experience;
- (ii) Neither I was nor I am a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the company;
- (iii) Neither I was nor I am related to promoters or directors in the company, its holding, subsidiary or associate company;
- (iv) Apart from receiving director's sitting fees, I have/had no material pecuniary relationship/transactions with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (v) none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (vi) Neither me nor any of my relatives:

holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(A) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

- 1) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- 2) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;

(B) holds together with my relatives 2% or more of the total voting power of the company; or

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

(D) a material supplier, service provider or customer or a lessor or lessee of the company;

- (vii) I am not less than 21 years of age.



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

#### **Declaration**

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

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

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

**Thanking you,  
Yours faithfully,**

**Ved Prakash Chaudhry  
DIN: 07572208  
B-3, PoojariAppartment, Shiv Vihar,  
Paschim Vihar, Delhi-110087**

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

**FORM MR-3**

**SECRETARIAL AUDIT REPORT**

**(For the financial year ended 31st March, 2021)**

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

To,

**The Board of Director**

**MOHINDRA FASTENERS LIMITED**

**CIN-L74899DL1995PLC064215**

**304 Gupta Arcade, Inder Enclave, Delhi-Rohtak Road**

**New Delhi-110087**

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and as produced before us, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st day of March, 2021, (the audit period) complied with the statutory provisions listed hereunder and also that the Company has a Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Mohindra Fasteners Limited ("The Company") and as produced before us for the financial year ended on 31st Day of March, 2021 (audit period) according to the provisions of:

- I. The Companies Act, 2013 (the Act) including any amendment thereto and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including any amendment thereto
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.

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

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

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

- a. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- b. The Securities and Exchange Board of India (Issue 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, 2018.

Requiring compliance thereof by the company and were not applicable during the financial year ended, 31st March, 2021 under review.

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

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

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

**We further report that:**

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

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

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

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

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

1. The Company has made Satisfaction of charge vide charge ID-100161552 amounting Rs. 2,00,00,000 (Rupees two Crores during the financial year under review.

## MOHINDRA FASTENERS LIMITED

---

2. 26th (Twenty Sixth) Annual General Meeting of the Members of the company was held through Video Conferencing(VC) / Other Audio Visual Means (OAVM), on Tuesday, the 29th September, 2020 at 11.30 AM during the financial year under review.

**Note:** Note: In view of the first and second wave of the COVID-19 pandemic and as per the guidance issued by the Institute of Company Secretaries of India (ICSI) for carrying out professional assignments, the Secretarial Audit Report in term of Pursuant to Section 204(1) of the Companies Act, 2013 was conducted by using appropriate Information Technology tools by virtual data sharing on e-mode as well as physical verification to access and examine relevant documents for completion of the audit.

**Further:** During this challenging time of COVID 19 outbreak this report has been undertaken to the best of my capability based on of e verification of scans, soft copies, information, confirmations, records and documents made available to us by the management. A management clarification was obtained for certain point of time as and when required.

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

**ANAND KUMAR SINGH  
(Partner)  
M. No-F10812  
COP-9404  
UDIN- F010812C000772144  
Date: 12/08/2021  
Place: Delhi**

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

**'ANNEXURE A'**

To,

**The Board of Director**

**MOHINDRA FASTENERS LIMITED**

**304 Gupta Arcade, Inder Enclave**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit to the extent there are shown to us during the Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. During the audit period a virus infectious disease called Coronavirus (COVID-19) was spread over the world which was declared as a global pandemic by the World Health Organization (WHO). Further, during audit period the Indian government/state government announced a strict lockdown across the country/state to contain the spread of the virus. Due to COVID- 19 pandemic impact, physical movement of human was strictly prohibited during said period, hence we cannot access/limited access the Manufacturing units/ registered office and other Business places of the company for the audit purpose and compliance documents for aforesaid units/offices were asked/obtained and access/verified through electronic mode. A management clarification was obtained for certain point of time as and when it was required for Audit purpose.

**For Anand Nimesh & Associates**

**(Company Secretaries)**

**ANAND KUMAR SINGH**

**(Partner)**

**M. No-F10812**

**COP-9404**

**UDIN- F010812C000772144**

**Date: 12/08/2021**

**Place: Delhi**

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

**FORM NO. AOC -2**

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

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

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

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

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

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

**Note:** Since, above RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board of directors is not applicable. However, these have reported to the Audit Committee for their Omnibus approval yearly and the Board has taken note of the same. There was no material related party contract or arrangement or transaction during the year.

**By order of the Board**

(Deepak Arneja)

DIN: 00006112

**Chairman cum Managing Director & CEO**

**Place: New Delhi**

**Date: 14.08.2021**

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

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

**(A) CONSERVATION OF ENERGY**

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

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

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

- Arresting leakage of Compressed air and ensuring optimal utilization of Air compressors. A Central Air reservoir has been created which draws Air from all the compressors and distribute it to the user machines as per the need.
- In order to make best use of day light, transparent roof sheets are installed. Solar energy options are being evaluated for lesser loads.
- Constant monitoring of energy consumption and further requisite follow-up. Annealing cycles w.r.t. various steel grades and its application are being studied.
- In off –hours, lights in work premises is kept off.
- Installed LED lights by replacing existing T5 lights at the operation offices, Marketing & R & D lab area.
- Installation of energy efficient ceiling fans.
- Overhaul of DG sets and load optimisation from time to time.
- Operating under peak load conditions being minimized by correct planning of processes.
- Energy audit by any external agency is also being explored to have more ideas for the scope of energy saving projects.
- Replacing the mechanism of soak cleaning of surface of Bolts with from Electric heaters to usage of Bio cleaners thereby saving electrical energy.

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

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

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

- Use of Air Pneumatic Tools over Electric Tools.
- Replacement of tube lights/lamps and put emphasis on installation of lower voltage energy efficiency lamps and use of CFL lamps & LED lights in phases.
- Introduction of waste heat recovery system in furnace.
- Replacing old 2/3-star Air Conditioners with 5 Star and setting the room Air Conditioners at a temperature of 24° C or more.
- Water from ETP reuse in gardening.
- Elimination of polythene bags in packaging of zinc pallet.
- Usage of reusable of Euro pallets instead of single use of wooden pallets for shipments.
- Rationalization of load on different DG sets.
- Conversion from 250 watt lights to 72 watt LED lights in production area.

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

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

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

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

- The rate per unit for power consumption for the FY 2020-21 was 8.50 in comparison of 8.12 in previous year.
- The rate per liter for fuel consumption for the FY 2020--21 was 69.54 in comparison of 65.14 in previous year.
- The rate per kilogram for gas consumption for the FY 2020-21 was 48.14 in comparison of 52.16 in previous year.

**(B) TECHNOLOGY ABSORPTION**

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

- In house product development team works on product improvement, import substitution and new products.
- The Company is having the following quality/system related certification:-
  - EN ISO 9001:2015
  - IATF 16949: 2016
  - ISO 14001:2015
  - OHSAS 18001:2007
  - ISO 17025:2017
- In addition, our in-house heat treatment facilities confirm to CQI9 Certification.
- Training of personnel in-house and also by calling external trainers.
- The company keeps itself updated with latest technological innovations by way of constant communication, personal discussions and visit to overseas countries/ plants and benchmarking best industrial practices.
- Future plan of action:
  - Adopt more value engineering ideas into products to make them more cost effective in order to meet the target costs.
  - Up gradation of existing technology.
  - Applied research and value engineering

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

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

- New product development.
- Increased the product sales/realization price substantially.
- Process improvement resulting in higher productivity.
- Cost reduction measures.
- Adoption to Lean manufacturing techniques.
- Constant updating of the Quality Management Systems has equipped the Company to meet the stringent Quality and general standards stipulated by customers.
- Development of eco-friendly processes results in less quantity of effluent and emission.
- Undertaken Import Substitution.

The Company does nothing by which any harm is done to the environment and that the Company complies with all laws, rules and regulations seeking to control and reduce pollution of all types and protect the environment.



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

No technology was imported during the above said period.

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

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

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

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

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

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

- **Expenditure on R& D**

NIL

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

**(i) Activities relating to exports; initiatives taken to increase exports; Development of the new exports markets for products and services and export plans;**

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

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

**(ii) Foreign Exchange Earning and Outgo**

The total foreign exchange earned and used are as under:

	(₹ in Lacs)
<b>Foreign exchange earnings</b>	<b>7290.07</b>
<b>Foreign exchange expenditure</b>	<b>298.18</b>

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

**By order of the Board**

Place: New Delhi

Date: 14.08.2021

(Deepak Arneja)

DIN: 00006112

**Chairman cum Managing  
Director & CEO**

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

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21**

**1. Brief outline of the Company's CSR policy and our social responsibility initiative:**

The Company has framed the CSR Policy pursuant to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended by the Companies (CSR Policy) Amendment Rules, 2021.

Company believes that being socially responsible, delivering profitable growth and meeting stakeholders' expectations and also play a part in actively assisting in the improvement of quality of life of the people in communities, giving preference to focus its CSR activities in and around the areas in which it operates.

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been and will continue to focus on issues relating to healthcare, education & skill development and environment sustainability.

Our objectives as stated in our CSR policy, include:

- i. Making a positive impact on society through economic development and reduction of our resource footprints;
- ii. Taking responsibility for the actions of the Company while also encouraging a positive impact through supporting causes concerning the environment, communities and our stakeholders.

CSR activities during the FY 2020-21 were implemented through "Sansthanam Abhay Daanam" a registered trust (Non-Profit Organization) registered under Indian Trust Act, 1882 and having registered office at 65, Model Basti, Karol Bagh, New Delhi-110005.

Sansthanam Abhay Daanam is formed to help animals and birds during their sickness and injury. They provide free medicines, treatment along with the facility of free ambulance, shelter for animals and birds all over Delhi(NCR). This Non-profit organization working for the benefit of mute and innocent animals and also involved in a wide spectrum of animal welfare activities, having more concentration on free insite medical and surgical treatment for strays. This organization makes concrete efforts for rescue and treatment of birds in trouble.

**2. Composition of CSR Committee**

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. Deepak Arneja	Chairman of the Committee	1	1
2.	Mr. Ravinder Mohan Juneja	Member of the Committee	1	1
3.	Mr. Vinod Kumar	Member of the Committee	1	1

**3. Weblink where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

The Company has formed a CSR Policy pursuant to the Companies Act, 2013. Our Corporate Social Responsibility Policy, Composition of CSR Committee and CSR projects approved by the board can be accessed at [www.mohindra.asia](http://www.mohindra.asia). In its CSR Policy, MFL is empowered to undertake all or any of the activities as specified under Schedule VII to the Companies Act, 2013 (the "Act").

4. Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, if applicable: Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules 2014 and amount required to set off for the financial year, if any: Not Applicable.
6. Average Net Profit of the Company as per Section 135(5): Rs. 1106.34 lakhs.
7. (a) Two percent of average net profit of the Company as per Section 135 (5): Rs. 22.13 lakhs  
(b) Surplus arising out of the CSR projects/programmes of the previous financial year: Not Applicable  
(c) Amount required to be set off for the financial year, if any: Not Applicable  
(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 22.13 lakhs
8. (a) CSR amount spent or unspent during the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs.)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
22.13	Not Applicable				

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project Duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation — Direct (Yes/No)	Name	CSR Registration Number
Not Applicable												

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.	Amount spent for the project (in Rs.)	Mode of implementation — Direct (Yes/No)	Mode of implementation - Through Implementing Agency.
Not Applicable							

- (d) Amount spent in Administrative Overheads: Not Applicable
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 22.13 lakhs
- (g) Excess amount for set off, if any: Not Applicable
9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable.  
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable.

## MOHINDRA FASTENERS LIMITED

---

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: No capital assets have been created or acquired out of the CSR Funds.
11. Specify the reasons, in case, the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable, since no unspent amount.

**By order of the Board**

**Place: New Delhi**

**Date: 14.08.2021**

**(Deepak Arneja)**

**DIN: 00006112**

**Chairman cum  
Managing Director & CEO**

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management of Mohindra Fasteners Limited is pleased to present the 'Management Discussion & Analysis Report' covering the performance for the financial year 2020–2021.

**OVERVIEW**

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

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

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

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

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

**ECONOMIC ENVIRONMENT**

The Company made a smart recovery in the second half of the fiscal year 2020-2021 and has achieved a quarter on quarter performance unparalleled in its history although the Coronavirus (Covid-19) Pandemic wreaked havoc on the global economy, unleashing the worst economic downturn since the Great Depression. The complete nationwide lockdown imposed by the Central and State Governments to contain the spread of the Covid-19 Pandemic had a negative impact on the social and economic factors with economic activity coming to a standstill since the last week of March 2020. This resulted in the aggregate demand plummeting across sectors aggravated by the global economic slowdown.

Given the lockdown, Companies all over India were forced to completely close the manufacturing units for about 40 to 60 days. Consequently, the migrant workers had faced hardships and returned to their hometown. The automotive sector alone suffered about Rs. 2,300 Crores losses per day and an estimated job loss of about 3.5 lakh.

The pandemic resulting in shutting down of manufacturing, loss of jobs and economies stuttering, meant a steep reduction in trade-both imports and exports. The fall in imports after the pandemic led to a huge imbalance in the demand and supply of containers, hitting the availability of containers for exports. In effect, containers remained stationary because of the fall in global trade. This impacted exports and worse, increased costs of shipping as compared to the pre-Covid rates.

The country's automobile sector is reeling under almost two years of economic stagnation. The Industry was surely expecting a V shaped recovery in the second half of the year 2020-21 due to higher consumption during festival period. But this honeymoon was short lived and rising COVID cases from February/March 2021, which hit the country as second wave dashed all the plans. Post the recovery in June 2021 and with Government also allocating in the budget a sum of Rs. 5 Trillion for capital expenditure, it is expected to pave the way for faster growth in the automotive segment from September 2021 as people across the country are looking for an independent vehicle

ownership avoiding public transport to maintain social distancing. In addition, Government's initiative on rolling out vaccination drive and with a market shift for personal mobility-safety measures, the industry is expected to post strong performance in FY22.

The roll-out of financial subsidies under the Production-Linked Incentive (PLI) Scheme bodes well for the automotive sector. The new rules are likely to favour the creation of large manufacturing capacities by following the global standards in the Country. As per the Government's vision for Aatmanirbhar India, the PLI scheme is expected to incentivize global and domestic manufacturers to engage in high-volume, high-value production thereby increasing self-reliance and also, increasing exports. To support growth, the Government has also allocated funds for creating dedicated freight corridors to create a future-ready railway system by 2030, bringing down the logistic cost for the industry.

Despite easy monetary policies from the Reserve Bank of India (RBI) and other central banks, financial conditions have started tightening in 2021. The stress persists because of weak bank credit growth, high term premium and wider spreads on lower-rated corporate bonds. It is anticipated that 2022 could see tighter conditions owing to higher government borrowing leading to firmer government bond yields, moderation of excess liquidity by the RBI, adverse global factors like rising commodity prices, US treasury yields, and inflation.

### **INDUSTRIAL STRUCTURE AND DEVELOPMENT**

2020-21 proved to be a roller coaster year for the automotive market segment. The financial year started with a steep downhill ride due to the onset of the pandemic. However, June through December things slowly returned to more normal business levels. Interestingly, as production ceased in North America, customer demand increased, and the vehicle inventory level quickly dropped. People had time at home to search and shop for a new car, and dealerships learned new methods of virtual selling and hands-free delivery. Production operations were back up by June, but pandemic related challenges had an impact, plus as the various companies in the supply base had issues, component shortages became a common occurrence and will continue to be in 2021.

Towards the end of the year 2020, the situation normalized and the manufacturers started to get back on track. But the relief was little, as the increase in raw material prices especially of steel, aluminum, copper and rubber affected the margins. Oils & Lubricants, Paper, other metals and commodities including ocean freight worldwide are eroding the margins of the industry which had started to perform better based on higher export demands. The trend is likely to persist in the foreseeable future. The companies have been focusing on cost rationalization to balance the rising material cost but it is not proving to be easy.

To support the economy, the Government announced various measures to infuse liquidity into the system. As a result, the economy was flushed with liquidity and credit availability was made to support the businesses. The exchange rate for the USD v/s INR currency pair was stable for a major part of the year under review and is expected to be stable at INR 74 in the year ahead. The Company is a net foreign exchange earner and may stand to benefit on account of INR depreciation.

The drastic effect of the pandemic on the airline/travel industry has been disastrous. The intense drop in air traffic has made the companies vulnerable with the aircraft manufacturers going slow on their production plans. The travel and holiday industry which has been struggling since March 2020 is yet to see positive cash flows.

However, increasing building and construction activities will fuel the need for the product, subsequently aiding the overall market's growth. Variations in product offerings have allowed applications in diverse industries. The growing demand for the product has attracted several large-scale investors and numerous market entrants. The ease of availability of material used in the manufacturing of industrial fasteners will emerge in favor of market growth. Moreover, factors such as cost-effectivity and product durability, and increased reliability will contribute to the development of the market during the pandemic.

### **OPPORTUNITIES**

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

Defence and aerospace continue to be a strong pillar for India and key Government initiatives such as 'Make in India' to succeed. Government policies to promote self-reliance in defence and aerospace manufacturing have

centered on the implementation of advanced technologies, thus improving the potential of domestic manufacturing and provide more opportunities for your Company.

The global industrial fasteners market size is projected to reach USD 106.05 Billion by 2028, exhibiting a CAGR of 4.2% during the forecast period. The increasing industrialization will bode well for the companies operating in this market. According to a report published by Fortune Business Insights, titled “Industrial Fasteners Market, 2021-2028,” the market was worth and USD 76.70 billion in 2020.

The global Industrial Fastener market is anticipated to rise at a considerable rate during the forecast period, between 2021 and 2025. In 2021, the market was growing at a steady rate and with the rising adoption of strategies by key players, the market is expected to rise over the projected horizon.

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

The Company’s continued investments towards the development and manufacture of new products are expected to result in improvement in performance in the years ahead. We are exploring opportunities for new and long term relationships with new customers in the world markets.

### **THREATS**

- Threat of new entrants.
- Threat of substitutes or counterfeit fastener item.
- Threat to business continuity in country and worldwide markets due to current and a new wave of COVID-19.
- Increasing use of novel threaded & plastic fasteners and rising demand of light weighting in the automotive fasteners.
- Poor availability of skilled labour and technology innovations is one of the threats which exist in the Indian Fastener sector.
- The Price increase/decrease in fasteners’raw material.
- Spurious and low quality fastener affects longevity adversely, and may result in accidents with catastrophic consequences.
- Increased congestion in urban areas is one of the main reasons which create hindrance in growth of Automotive Sector.
- Changes in regulatory requirements.
- Growing competition at domestic as well as overseas market.
- Geopolitical changes in respect to global tariffs being imposed.
- Emergence of 3D printing (additive manufacturing) as an alternative to low volume fasteners.

As a result of COVID-19, the market for industrial fasteners declined by 2.5% in 2020. Economic uncertainty is projected to have a short-term negative impact on the market. Due to staffing scarcity and availability, automotive manufacturing facilities were also affected with enterprises either shutting down completely or severely reducing their capacity.

### **CHALLENGES**

The COVID-19 pandemic and other developments around the globe have impacted the industry over the past two years. Disruptions to the global economy have put major pressure on companies to revamp processes and reconsider operations at every step.

The Government initially proposed for implementation of the new Labour Code with effect from April 1, 2021. However, the implementation was deferred based on representations received from various industry bodies. The Company is evaluating the impact of the implementation of the new Labour Code.

Despite easy monetary policies from the Reserve Bank of India (RBI) and other central banks, financial conditions have started tightening in 2021. The stress persists because of weak bank credit growth, high term premium and

## MOHINDRA FASTENERS LIMITED

---

wider spreads on lower-rated corporate bonds. It is anticipated that 2022 could see tighter conditions owing to higher government borrowing leading to firmer government bond yields, moderation of excess liquidity by the RBI, adverse global factors like rising commodity prices, US treasury yields, and inflation.

### **STRENGTHS**

- Company has added new customer, new product lines and developed medium to long term contracts for special products and applications, despite the slowdown.
- Combination of hot and cold forging under one roof.
- Turning, Milling, Grinding and Drilling in the same premises.
- More than 50% of Tonnage is exported.
- Entering & exploring into the new markets.
- Experience and highly skilled workforce.
- Well diversified portfolio.
- Quality & process certifications add credibility.

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

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

### **OUTLOOK**

During the first two quarters of 2020, the automotive fasteners market suffered as activities came to a sudden halt in countries all over the globe according to the fasteners industry overview. Fasteners can fall in the MRO category too.

In the early months of the pandemic, when the worldwide lockdown disrupted economic activity across virtually all sectors, your company responded with speed and agility, embracing a new operating model, working remotely, our teams helped customers maintain business continuity during peak disruption, and thereafter, to accelerate their growth and transformation.

The Company's continued investments towards the development and manufacture of new products are expected to result in improvement in performance in the years ahead.

New fasteners fell in demand because the major industries that propel the industrial manufacturing and durables industry were affected due to Covid-19. These industries include aerospace, construction, machinery, and automotive.

### **RISKS & CONCERNS**

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

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

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

The Company's all operating divisions identify the risks as perceived by them and take immediate steps to minimize the impact and at the same time submit a report to the next higher level of reporting.



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

**a) Market risk**

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

**b) Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including, foreign exchange transactions and other financial instruments.

The Company enters into long term contracts with its regular customers thereby eliminating uncertainties which also mitigates the risk exposure on high risk customers and avoids any such contracts with them. Further, one of the customers' of the Company forms more than 10% of the Company's total revenues as the Company makes a continuous effort in expanding its customer base. Outstanding customer receivables are regularly monitored and reviewed by the senior management periodically. At 31st March, 2021, the top 10 customers accounted for approximately 61% of all the receivables outstanding. At 31st March, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 31st March analyzed by the length of time past due, are:

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
More than 180 days	121.72	48.96
Not More than 180 days	2252.49	1334.26
<b>Total</b>	<b>2374.21</b>	<b>1383.22</b>

**c) Interest rate risk**

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

**d) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's borrowings in foreign currency. (Refer Note No. 36 to IND AS Financial Statement).

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

**e) Equity price risk**

The Company's investments are in listed equity securities. Equity risk is the risk involved in the changing prices of stock investments in the share market. All the investments in the equity portfolio are reviewed and approved by the Board of Directors.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 9.24 Lacs (31st March, 2020: Rs. 5.12 Lacs).

**f) Financial instruments and cash deposits**

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

**g) Liquidity risk**

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

The company does not have any long term debt outstanding as on 31.03.2021. The Company assessed the concentration of risk with respect to refinancing its short term debt and concluded it to be low. The Board of Directors periodically reviews the Company's business requirements vis-a-vis the source of funding.

The table below summaries the maturity analysis of the Company's Trade Payable, Lease Liabilities on account of transition to Ind AS 116 and financial liabilities except short term borrowing repayable on demand:

(₹ in Lacs)

<b>Year ended 31<sup>st</sup> March, 2021</b>	<b>Less than one year</b>	<b>More than one year</b>
Interest-bearing borrowing except short term Borrowings	Nil	Nil
Other financial liabilities	24.77	Nil
Lease Liabilities	13.15	11.73
Trade Payables	1950.56	0.71

(₹ in Lacs)

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

**h) Other risk – Impact of COVID-19**

Due to outbreak of Coronavirus (COVID-19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Governments(s) in India, the manufacturing activities of the Company remained suspended from March 23, 2020 onwards. The Company in compliance with the necessary instructions guidelines, resumed its manufacturing operations from April 27, 2020 in a phased manner, while ensuring health and safety of all the stakeholders.

This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Company during the year ended 31<sup>st</sup> March, 2021. This lockdown has impacted the sales performance of the Company during the first quarter of this year and also resulted in the financial burden for the Company as implementation of Company's green field project (construction of new Plant) came to a halt, although there is no impact seen on capital & financial resources of the company because the Company has no long term debt and the utilization of working capital is well within the bank limits. Despite all this situation, our Company has earned a higher net profit for the year ended March, 31, 2021 as compared to previous year ended March 31, 2020.

Further the recent second wave of COVID-19 has resulted in partial lockdown/restriction in various states. However, the Company is closely monitoring the impact of the aforementioned pandemic and believes that there were will not be any adverse impact on the long term operations and performance of the Company.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature, duration and the extent covering almost the whole world. Overall, the balance period of the financial year, of 2021–2022, is likely to be difficult but we do hope the business situation should normalize from the 3rd and 4th Quarter of this year.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

Internal Policies and Standard Operating Procedures of the Company ensure accuracy and consistency in handling all key business transactions. Internal audit evaluates and reports on the relevance and adequacy of the Policies, Standard Operating Procedures, Checks and Controls covering all major processes. During the Financial Year 2020-2021, new initiatives have been implemented to enhance the effectiveness of the internal audit. On an ongoing basis, the Management and the Audit Committee review the internal controls covering operations, inventory, fixed assets, financial records and compliance to requirements under various statutes. The existing internal controls provide adequate assurance to the management for efficient business operations.

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

#### Operating Revenue:

During the financial year 2020-21; your company has earned revenue from operations **Rs. 10601.63 Lakhs** (Previous year **Rs. 10147.79 Lakhs**) and net profit of the company was **Rs. 1038.06 Lakhs** (Previous year **Rs. 936.77 Lakhs**).

#### Financial Performance:

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

During the year, EBITDA (Profit before interest, taxes, depreciation and amortization) was at **Rs. 1764.18 Lakhs as against Rs. 1618.70 Lakhs** in the previous year, an increase of 8.99%. Financing costs amounted to **Rs. 64.37 Lakhs (Rs. 55.46 Lakhs)**. Finance costs have marginally increased from last year but company still enjoys its Zero Debt status. The running loans are at competitive interest rates.

MFL has earned a net profit of **Rs. 1038.06 Lakhs** an increase of 10.81% as compared to previous year, for the year ended March, 2021, despite a slowdown in the automotive industry due to Coronavirus pandemic.

### **KEY FINANCIAL RATIOS**

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

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

Sr. No.	Key Ratios	Unit of measurement	As on 31st March, 2021	As on 31st March, 2020
1	Debtors Turnover	Days	65.45	73.17
2	Inventory Turnover	Days	67.54	76.92
3	Interest Coverage Ratio	Times	22.45	22.80
4	Current Ratio	Times	1.91	1.86
5	Debt Equity Ratio	Times	0.23	0.22

## MOHINDRA FASTENERS LIMITED

6	Operating Profit Margin	%	14.19	13.01
7	Net Profit Margin	%	10.19	9.64
8	Return on Net worth	%	20.85	20.53

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

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

Company believes that its human resource is vital for its success and therefore continuously emphasizes on creating a diversified and inclusive working environment for its employees. The HR department continuously strives to maintain and promote harmony and co-ordination amongst workers, staff and members of the senior management. Training programs are regularly conducted to update their skills and apprise them of latest techniques. Senior management is easily accessible for counseling and redressal of grievances. The total number of employees as on 31st March, 2021 was 318.

Employee safety was the topmost priority in the past year. During the difficult period of the national lockdown, the Company ensured regular communication with all its employees. From the time the pandemic started, the Company have constantly been creating awareness on preventive measures. Accordingly the Company had prepared a detailed Standard Operating Procedure (SOP) to ensure all its employees stay safe at workplace. On reopening of the factories post lockdown, elaborate procedures were put in place covering all aspects of employee safety – right from company transportation to personal hygiene. All employees were provided with masks, their temperature is checked and recorded. Measures were taken to ensure that even families of employees are taken care of by talking to them and creating awareness on COVID protocols.

In the Company, HR processes are aligned to make employees feel that they are a part of the company family. The company creates the platform for employees to voice their opinion and make suggestions to improve the working environment. All the HR initiatives were moved to the online mode this year. Mentors and mentees met regularly through the medium of Google meet and/or Zoom calls.

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

The focus for the organization in the coming year is to ensure that all employees and their family members are vaccinated, to ensure a healthy and productive workforce.

### **CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis describing the Company’s objectives, projections, estimates and expectations may be ‘forward looking statements’ within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company’s operations include second wave of pandemic, a downtrend in the automobile industry – global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, foreign currency fluctuations and interest costs. The impact of COVID-19 pandemic is yet to subside and may also affect the Company’s operations.

**By order of the Board**

**Place: New Delhi**

**Date: 14.08.2021**

**(Deepak Arneja)**

**DIN: 00006112**

**Chairman cum**

**Managing Director & CEO**

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

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

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

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Date:- 26.06.2021**

**Place:- Delhi**

**(Sunil Mishra)  
Chief Financial Officer**

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

**ANNEXURE “B” TO THE CORPORATE GOVERNANCE REPORT  
INDEPENDENT AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Mohindra Fasteners Limited (“the Company”) for the year ended on March 31, 2021, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as amended from time to time, pursuant to the Listing Agreement of the Company with Stock exchange.

**MANAGEMENT’S RESPONSIBILITY FOR COMPLIANCE WITH THE CONDITIONS OF SEBI LISTING REGULATIONS**

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

**AUDITOR’S RESPONSIBILITY**

Pursuant to the requirements of the above mentioned Listing Regulations, our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We conducted our examination of the corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under the Section 143 (10) of the Companies Act, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as per regulations 17 to 27, clause (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable.

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

**RESTRICTION ON USE**

This Certificate has been solely issued for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

**Place: New Delhi**

**Date: 14.08.2021**

**CA Ashish Modi  
Partner  
(Membership No.F501180)  
UDIN–21501180AAAAAQ7635**

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

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

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

I confirm that the Company has in respect of the year ended March 31, 2021, received from all the Board members and senior management personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, and the Company Secretary as on March 31, 2021.

**Place: New Delhi**  
**Date: 14.08.2021**

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

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

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

To,

**The Members**

**MOHINDRA FASTENERS LIMITED**

**304 Gupta Arcade, Inder Enclave,**

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers **none of the Directors on the Board of the Company as stated below for the financial year ended 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.**

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

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

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

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

**Place: New Delhi**

**Date: 12.08.2021**

**ANAND KUMAR SINGH**  
**(Partner)**  
**M. No. –F10812**  
**COP No.: 9404**  
**UDIN- F010812C000772311**





# **B.L.KHANDELWAL & CO.**

## **CHARTERED ACCOUNTANTS**

1, Doctors Lane, Gole Market, New Delhi 110001

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

### **INDEPENDENT AUDITOR'S REPORT**

**To**

**The Members of,  
MOHINDRA FASTENERS LIMITED**

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

##### **Opinion**

We have audited the accompanying financial statements of MOHINDRA FASTENERS LIMITED, ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the State of affairs of the Company as at March 31, 2021, the Profit and total comprehensive income, Changes in Equity and its Cash Flows for the year ended on that date.

##### **Basis for opinion**

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

##### **Emphasis of Matter -Impact of Outbreak of Corona Virus (Covid-19)**

We draw attention to Note 43(h) of the IND AS Financial statements, which explains the uncertainties and the management's assessment of the financial impact related to Covid-19 pandemic situation, for which a definitive assessment of the impact in subsequent period is highly dependent on future economic developments and circumstances as they evolve.

Our opinion is not modified in respect of this matter.

##### **Key audit matters**

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



# B.L.KHANDELWAL & CO.

## CHARTERED ACCOUNTANTS

1, Doctors Lane, Gole Market, New Delhi 110001

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

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

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

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



# B.L.KHANDELWAL & CO.

## CHARTERED ACCOUNTANTS

1, Doctors Lane, Gole Market, New Delhi 110001

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

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

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

See Note 12(b), 17, 21 and 22 to the financial Statements:

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

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

See Note 34 to the financial statements:

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



# B.L.KHANDELWAL & CO.

## CHARTERED ACCOUNTANTS

1, Doctors Lane, Gole Market, New Delhi 110001

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

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

	<ul style="list-style-type: none"><li>• We discussed the status in respect of significant provisions with the Company's internal tax and legal team.</li><li>• We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li></ul>
--	--

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and Cash Flows of the Company in accordance accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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



## INDEPENDENT AUDITOR'S REPORT (Contd.)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-"A"**, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



# B.L.KHANDELWAL & CO.

## CHARTERED ACCOUNTANTS

1, Doctors Lane, Gole Market, New Delhi 110001

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

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

- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure - "B"**.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the act, as amended;  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations furnished to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements—Refer note no. 34 to the financial statements.
  - ii. the Company has no long-term derivative contracts and there are no other long term contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For B. L. Khandelwal & Co.**

Chartered Accountants

Regn. No. 000998N

Place: Delhi

Date: June 26, 2021

**CA B.L. Khandelwal**

Partner

Membership No. F12331

(UDIN: 21012331AAAADJ9107)



**ANNEXURE-"A" TO INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, DELHI FOR THE YEAR ENDED 31ST MARCH, 2021**

Annexure "A" referred to in our report under "Report on Other Legal and Regulatory requirements Para 1" of even date on the accounts for the year ended 31st March, 2021

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment
- (b) Property, Plant & Equipment are physically verified by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on the audit procedure performed and according to the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventory (excluding stock lying with third parties and Goods in transit) has been physically verified, at reasonable intervals during the year by the management. In respect of inventories lying with third parties, these have substantially been confirmed by them. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
3. According to information and explanation given to us, the company has not granted any loan to a company, firm, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provision of clause 3(iii) (a), (b) and (c) of the order are not applicable to the company.
4. During the year, the company has not granted any loan nor provided any security. The Company has not made any investment during the year. Hence reporting on whether there is compliance with provisions of section 185 and 186 of the Companies Act, 2013 on these aspects does not arise.
5. According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Companies Act, 2013; any other relevant provisions of the Act and relevant rules framed thereunder.
6. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that *prima-facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the records provided to us, the Company was generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Duty of Custom, Income Tax, Goods and Service Tax, Cess and other statutory dues to the appropriate authorities.
- (b) According to the information and explanations furnished to us, no undisputed amounts payable in respect of Income Tax, Duty of Custom, Goods and Service Tax and Cess were in arrears, as at 31st March 2021 for a period of more than six months from the date they became payable.
8. Based on our verification and according to the information and explanations furnished by the management, the Company has not defaulted in repayment of dues to its banks. The Company did not have any outstanding loans or borrowings from financial institutions or government. The Company has not issued debentures and hence question of reporting delay in repayment of dues does not arise.
9. Based on our verification and according to the information and explanations furnished by the management, the Company has not raised any money by way of initial/further public offer (including debt instruments) during the year. Hence reporting on utilization of such money does not arise. The Company has not availed term loan during the year. Accordingly, para 3(ix) of the Order is not applicable.



**B.L.KHANDELWAL & CO.**  
**CHARTERED ACCOUNTANTS**

1, Doctors Lane, Gole Market, New Delhi 110001

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

**ANNEXURE-“A” TO INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, DELHI FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

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

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

**Place: Delhi**

**Date: June 26, 2021**

**CA B.L. Khandelwal**  
**Partner**  
**Membership No. F12331**  
**(UDIN: 21012331AAAADJ9107)**





# **B.L.KHANDELWAL & CO.**

## **CHARTERED ACCOUNTANTS**

1, Doctors Lane, Gole Market, New Delhi 110001

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

### **ANNEXURE-“B” TO INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, DELHI FOR THE YEAR ENDED 31ST MARCH, 2021**

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

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

We have audited the internal financial controls over financial reporting of MOHINDRA FASTENERS LIMITED, DELHI (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor’s Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



# **B.L.KHANDELWAL & CO.**

## **CHARTERED ACCOUNTANTS**

1, Doctors Lane, Gole Market, New Delhi 110001

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

### **ANNEXURE-“B” TO INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MOHINDRA FASTENERS LIMITED, DELHI FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place: Delhi**

**Date: June 26, 2021**

**CA B.L. Khandelwal**  
**Partner**  
**Membership No. F12331**  
**(UDIN: 21012331AAAADJ9107)**

**BALANCE SHEET AS AT 31<sup>st</sup> March, 2021**


(₹ in Lacs)

Particulars	Note	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(i) Property, Plant & Equipment	5 (a)	2664.95	2927.68
(ii) Capital Work in Progress	5 (a)	48.08	1.36
(iii) Intangible Assets	5 (a)	7.00	8.77
(iv) Right-of-use Assets	5 (b)	21.76	0.00
(v) Financial Assets			
(a) Investments	6 (a)	9.24	5.12
(b) Trade Receivables	6 (b)	20.88	20.88
(c) Other Non-current Financial Assets	7	417.24	101.91
(vi) Other Non Current Assets	8	95.10	106.13
<b>(2) Current Assets</b>			
(i) Inventories	9	1795.39	2080.83
(ii) Financial Assets			
(a) Trade Receivables	10	2353.32	1362.33
(b) Cash and Cash Equivalents	11(a)	2183.73	2056.14
(c) Bank Balance other than above mentioned cash & cash equivalents	11(b)	17.41	14.96
(d) Other current financial assets	12 (a)	94.56	71.89
(iii) Current Tax Assets (Net)	12 (b)	0.77	0.31
(iv) Other Current Assets	13	879.19	752.61
<b>Total Assets</b>		<b>10608.62</b>	<b>9510.92</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(i) Equity Share Capital	14 (a)	535.68	535.68
(ii) Other Equity	14 (b)	6085.50	5354.53
<b>(2) Non-Current Liabilities</b>			
(i) Financial Liabilities			
(a) Borrowings	15 (a)	0.00	0.00
(b) Other Financial Liabilities	15 (b)	11.73	24.89
(ii) Provisions	16	25.70	39.98
(iii) Deferred Tax Liabilities (Net)	17	115.91	157.43
<b>(3) Current Liabilities</b>			
(i) Financial Liabilities			
(a) Borrowings	15 (a)	1510.57	1289.28
(b) Trade Payables:-	18		
(i) Total outstanding dues of Micro enterprises and Small Enterprises		85.47	70.96
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises		1865.81	1662.41
(c) Other Financial Liabilities	19	37.92	26.37
(ii) Other Current Liabilities	20	187.44	214.41
(iii) Provisions	21	146.89	134.98
(iv) Current Tax Liabilities (Net)	22	0.00	0.00
<b>Total Equity &amp; Liabilities</b>		<b>10608.62</b>	<b>9510.92</b>

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

As per our Report of even date

For B.L. Khandelwal &amp; Co.

Chartered Accountants

Firm Reg. No.: 000998N

For &amp; on Behalf of the Board of Directors

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

 Deepak Arneja  
 (Managing Director & CEO)  
 DIN: 00006112

 Ravinder Mohan Juneja  
 (Managing Director)  
 DIN: 00006496

 Place: New Delhi  
 Date: 26/06/2021

 Sunil Mishra  
 (Chief Financial Officer)

 Nidhi Pathak  
 (Company Secretary)

# MOHINDRA FASTENERS LIMITED

## STATEMENT OF PROFIT & LOSS OF THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(₹ in Lacs)

Particulars	Note	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Continuing Operations</b>			
Revenue from operations	23	10,601.63	10,147.79
Other Income	24	236.91	269.60
<b>Total Revenue</b>		<b>10,838.54</b>	<b>10,417.39</b>
<b>Expenses:</b>			
Cost of Materials Consumed	25	3,748.08	3,683.34
Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade	26	203.43	(98.60)
Employee Benefits Expense	27	1,961.57	2,048.52
Finance Costs	28	64.37	55.46
Depreciation and Amortization Expense	29	319.28	354.07
Other Expenses	30	3,161.28	3,165.43
<b>Total Expenses</b>		<b>9,458.01</b>	<b>9,208.22</b>
<b>Profit before exceptional items and tax</b>		<b>1,380.53</b>	<b>1,209.17</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>1,380.53</b>	<b>1,209.17</b>
<b>Tax expense:</b>	31		
Current Tax		378.43	350.47
Deferred Tax Liability/(Assets)		(35.96)	(78.07)
<b>Profit for the year</b>		<b>1,038.06</b>	<b>936.77</b>
<b>Other comprehensive income</b>	32		
<b>Items that will not be reclassified to profit or loss</b>			
(a) Re-measurement gains/(losses) on defined benefit plans		(22.15)	(61.93)
(b) Income tax effect on (a) above		5.57	15.59
(c) Fair value gains/(losses) on Equity Instruments		4.12	(7.43)
<b>Total Other comprehensive income</b>		<b>(12.46)</b>	<b>(53.77)</b>
<b>Total comprehensive income for the year</b>		<b>1,025.60</b>	<b>883.00</b>
(Comprising Profit and Other Comprehensive Income for the year)			
<b>Earnings per equity share</b>	33		
Basic (in ₹)		19.38	17.49
Diluted (in ₹)		19.38	17.49
<b>Weighted average number of equity shares used in computing earnings per equity share</b>			
Basic (in Nos.)		53,56,800	53,56,800
Diluted (in Nos.)		53,56,800	53,56,800

Notes 1 to 43 form an integral part of these financial statements  
As per our Report of even date

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

For & on Behalf of the Board of Directors

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

Deepak Arneja  
(Managing Director & CEO)  
DIN: 00006112

Ravinder Mohan Juneja  
(Managing Director)  
DIN: 00006496

Place: New Delhi  
Date: 26/06/2021

Sunil Mishra  
(Chief Financial Officer)

Nidhi Pathak  
(Company Secretary)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>A. Cash Flow from Operating Activities</b>		
Profit/(Loss) before tax	1380.53	1209.17
<i>Adjustment for:-</i>		
Depreciation and/ amortisation	319.28	354.07
Profit/(Loss) on Sale of Property, Plant & Equipment (Net)	(1.96)	(0.34)
Finance Costs	64.37	55.46
Interest Income	(154.59)	(109.90)
Dividend Income	(0.01)	(0.09)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>1607.61</b>	<b>1508.37</b>
<i>Adjustments for increase/ (decrease) in operating assets:</i>		
- Inventories	285.43	42.18
- Other Current assets	(1139.92)	1525.65
- Non current assets	(304.30)	(75.78)
<i>Adjustments for increase/ (decrease) in operating Liabilities:</i>		
- Trade payables	217.91	(370.81)
- Other Current liabilities	(7.70)	24.02
- Non current liabilities	(36.43)	(21.94)
<b>Cash generated from Operations</b>	<b>622.61</b>	<b>2631.69</b>
Taxes Paid (Net)	(379.20)	(366.78)
<b>Net Cash generated from Operating Activities (A)</b>	<b>243.40</b>	<b>2264.91</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital Expenditure on Property, Plant & Equipment	(124.12)	(103.90)
Proceeds from sale of Property, Plant & Equipment	2.83	2.05
Interest Income	154.59	109.90
Dividend Income	0.01	0.09
<b>Net Cash generated from Investing Activities (B)</b>	<b>33.31</b>	<b>8.15</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds/(Repayment) of Long Term Borrowings (Net)	0.00	0.00
Proceeds/(Repayment) of Short term Borrowings (Net)	221.29	(491.17)
Finance Cost Paid other than interest on lease liabilities	(60.38)	(50.33)
Dividends Paid	(294.62)	(160.70)
Dividend Distribution Tax Paid	0.00	(33.04)
Principal payment of Lease Liabilities	(11.41)	(10.34)
Interest paid on Lease Liabilities	(3.99)	(5.13)
<b>Net Cash generated from Financing Activities (C)</b>	<b>(149.12)</b>	<b>(750.71)</b>
Net increase in cash and cash equivalents	<b>127.60</b>	<b>1522.34</b>
Cash and Cash Equivalents at the Beginning of the Year	<b>2056.14</b>	<b>533.80</b>
Cash and Cash Equivalents at the End of the Year*	<b>2183.73</b>	<b>2056.14</b>
<b>Notes 1 to 43 form an integral part of these financial statements</b>		

# MOHINDRA FASTENERS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021 (CONTD.)

---

**Notes:**

- (i) The above Cash Flow Statement has been prepared under Indirect Method as set out in Ind As -7.
- (ii) The Cash Flow Statement reflects the combined cash flows pertaining to continuing operations.
- (iii) All figures in brackets are outflows/ decrease in cash & cash equivalent.
- (iv) Previous years figures have been regrouped/restated wherever necessary.
- (v) \*Cash and Cash Equivalents are Cash and Bank balances as mentioned in Note No. 11(a)

As per our Report of even date

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

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

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

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

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

**Place: New Delhi**  
**Date: 26/06/2021**

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

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

**Note : 1 Corporate Information**

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

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

**Note : 2 Basis of Preparation**

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

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

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

The financial statements for the year ended 31st March 2021 (including comparatives) are duly approved and authorised for issue by the Board of directors at their board meeting held on 26th June, 2021.

**Note : 3 (a) Key Accounting Estimates and Judgements**

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

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

- (a) Measurement of defined benefit obligations – Note 27
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Notes 34
- (c) Recognition of deferred tax assets/liabilities – Note 17
- (d) Measurement of Lease liabilities and Right of Use Asset (ROUA) – Notes 5(b), 15(b), 19 & 41

**3 (b) Significant management judgment in applying accounting policies and estimation of uncertainty**

While preparing the financial statements, management has made a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

**(i) Significant management judgment**

The following are significant management judgments in applying the accounting policies of the Company that have significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues.

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

---

### (ii) Estimation of uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different.

#### a. Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of assets including Intangible Assets.

#### b. Inventories

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes.

#### c. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

### Note : 4 Summary of accounting policies

#### (i) Overall considerations

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

#### (ii) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable and net of returns, trade allowances and rebates and discount. The revenue excludes GST.

##### a. Sale of Products:

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

##### b. Interest and Dividend Income:

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

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

### (iii) Property, plant and equipment

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

i. Purchase Price

ii. Taxes and Duties

iii. Labour cost and

iv. Directly attributable overheads incurred upto the date the asset is ready for its intended use.

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



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

b. Component Accounting:

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

c. Other cost:

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

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

d. Depreciation and amortization:

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

**(iv) Intangible assets**

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

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

Gain or losses arising from derecognition of an intangible asset are measured as the differences between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the assets is derecognized.

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

**(v) Impairment**

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

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

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

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

---

### (vi) Leases

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

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

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

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

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

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

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

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

### Transition to Ind AS 116

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

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

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

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

### (vii) Financial Assets, Financial Liabilities and Financial instruments

#### Recognition, initial measurement and derecognition:

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are

measured initially at fair value. Trade receivables are recognized at their transaction value as the same do not contain significant financing component.

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

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

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

Through Other Comprehensive Income-FVTOCI)

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

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

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

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

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

- c. **Trade receivables**

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

- d. **Derecognition of financial assets**

A financial asset is derecognised only when;

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

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

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

#### **Financial Liabilities**

- i. **Classification, subsequent measurement and derecognition of financial liabilities**

- a. **Classification**

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

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

---

### *Subsequent measurement*

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

#### **b. Derecognition**

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

#### **(viii) Inventories**

Inventories are valued at lower of cost or net realizable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Cost is ascertained on FIFO basis in accordance with the method of valuation prescribed by the Institute of Chartered Accountants of India.

##### **a. Raw materials**

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use.

##### **b. Work-in-process and Finished Goods**

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials and are valued at Cost or Net Realizable Value, whichever is less.

##### **c. Stores and spares**

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

#### **(ix) Income Taxes**

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

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

Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, which is effective from April 1, 2019, domestic companies have the option to apply a special income tax rate under section 115BAA with effect from April 1, 2019 subject to certain conditions specified there in. The Company has exercised the above option and accordingly, it has recognized provision for income tax and remeasured its deferred tax liability for the year ended March 31, 2021 based on the lower annual effective income tax rate.

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

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

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

##### **a. Short term obligations:**

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognized up to the end of the reporting period at the amounts expected to be paid at the time of settlement.

Bonus Payable: The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

b. Other long term employee benefit obligations:

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

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Post-employment obligation:

The Company operates the following post-employment schemes:

- i. Defined benefit plans such as gratuity for its eligible employees
- ii. Defined contribution plan such as provident fund

Gratuity obligation:

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expenses in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net of deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit or Loss or service cost.

Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary. The provident fund contributions are made to EPFO. The Company is liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognizes such contributions and shortfall, if any, as an expense in the year in which it is incurred.

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

**(xi) Provisions and contingent liabilities**

a. Provisions:

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

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

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

---

### Contingent liabilities:

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

### b. Contingent Assets:

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

### **(xii) Earnings per share**

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

### **(xiii) Cash and Cash equivalents and Cash Flow Statement**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within three months from the date of acquisition and which are readily convertible into cash and which are subject to only an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents include cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.

### **(xiv) Segment reporting**

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

### **(xv) Borrowing costs**

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

**Note : 5 Property, Plant & Equipment**

(₹ in Lacs)

Property, Plant & Equipment	Tangible Assets As on 31.03.2021	Intangible Assets as on 31.03.2021	Capital Work in Progress as on 31.03.2021	Tangible Assets As on 31.03.2020	Intangible Assets as on 31.03.2020	Capital Work in Progress as on 31.03.2020
Owned Assets (refer Note 5 (a) below)	2664.95	7.0	48.08	2892.71	8.77	0.00
<b>Total</b>	<b>2664.95</b>	<b>7.0</b>	<b>48.08</b>	<b>2892.71</b>	<b>8.77</b>	<b>0.00</b>

(₹ in Lacs)

5 (a) Owned Assets	Gross Block			Depreciation & / Amortization			Net Block	
	As at 01-04-2020	Adj./ Add.	As at 31-03-2021	As at 01-04-2020	Adj./ Add.	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
<b>Tangible Assets:</b>								
Industrial Freehold Land	873.21	0.00	873.21	0.00	0.00	0.00	873.21	873.21
Buildings	754.18	0.00	754.18	344.01	22.01	366.02	388.16	410.17
Plant & Machinery	5537.61	60.69	5598.30	3982.46	268.16	4250.63	1347.67	1555.15
Furniture & Fittings	88.26	0.69	88.94	72.69	2.78	75.47	13.48	15.57
Motor Vehicles	54.44	4.88	42.01	30.46	4.23	16.45	23.77	23.98
Office Equipment	77.83	3.92	81.74	67.94	3.89	71.83	9.91	9.89
Computers and Data Processing Units	111.10	5.72	116.83	106.35	1.72	108.07	8.75	4.75
<b>Sub Total (A)</b>	<b>7496.63</b>	<b>75.90</b>	<b>7555.21</b>	<b>4603.92</b>	<b>302.79</b>	<b>4890.26</b>	<b>2664.95</b>	<b>2892.71</b>
<b>Intangible Assets</b>								
Computer Software	49.90	1.50	51.40	41.13	3.28	44.40	7.00	8.77
<b>Sub Total (B)</b>	<b>49.90</b>	<b>1.50</b>	<b>51.40</b>	<b>41.13</b>	<b>3.28</b>	<b>44.40</b>	<b>7.00</b>	<b>8.77</b>
Capital Work-in-progress	7546.53	77.40	7606.62	4645.05	306.06	4934.66	2671.95	2901.49
	1.36	47.05	0.00	0.00	0.00	0.00	48.08	0.00
<b>Sub Total (C)</b>	<b>1.36</b>	<b>47.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>48.08</b>	<b>0.00</b>
(Previous Year Figures)	7449.95	103.90	7546.53	4306.87	342.42	4645.05	2902.85	3143.07
<b>Total (A + B + C)</b>	<b>7547.89</b>	<b>124.44</b>	<b>7606.62</b>	<b>4645.05</b>	<b>306.06</b>	<b>4934.66</b>	<b>2720.03</b>	<b>2901.49</b>

# MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

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

(₹ in Lacs)

Leased Assets / Right-of-use Assets	Gross Block			Depreciation on Right-of-use Assets			Net Block		
	As at 01-04-2020	Addition	Disposals	As at 31-03-2021	As at 01-04-2020	Addition	Disposal	As at 31-03-2021	As at 31-03-2020
<b>Tangible Assets:</b>									
Land & Building	46.63	0.00	0.00	46.63	11.66	13.21	0.00	24.87	34.97
<b>Total</b>	<b>46.63</b>	<b>0.00</b>	<b>0.00</b>	<b>46.63</b>	<b>11.66</b>	<b>13.21</b>	<b>0.00</b>	<b>24.87</b>	<b>34.97</b>

"Notes:-

- (a) The Company incurred Rs.17.65 lacs for the year ended 31st March, 2021 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs. 33.05 lacs for the year ended 31st March, 2021, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 3.99 lacs for the year.
- (b) The Company's leases mainly comprise of land and building used for manufacturing facilities. The Company also has leases for equipment."



**Note : 6 (a) Non-Current Investments**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Fair value through Other Comprehensive Income Investment in Equity Instruments (Quoted)</b>		
1800 (PY 1800) Equity Shares of Rs. 10/- (PY Rs.10/) each in Bank of India (Fully paid)	1.16	0.57
3000 (PY 3000) Equity Shares of Rs. 2/- (PY Rs.2/-) each in Sterling Tools Limited (Fully Paid )	5.36	3.42
400 (PY 400) Equity Shares of Re. 1/- (PY Rs. 1/-) each in Sundram Fasteners Limited (Fully Paid)	2.70	1.13
150 (PY 150) Equity Shares of Rs. 10/- (PY Rs.10/-) each in Lakshmi Precision Screws Ltd. (Fully Paid)	0.01	0.00
<b>Total in ₹</b>	<b>9.24</b>	<b>5.12</b>
<b>Other Information</b>		
<b>Quoted Investments</b>		
Market Value	9.24	5.12

**Note : 6 (b) Trade Receivables**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(Unsecured, considered good )</b>		
Trade Receivables	20.88	20.88
	<b>20.88</b>	<b>20.88</b>

**Note : 7 Other Financial Assets**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(Unsecured, considered good)</b>		
Security Deposits	102.71	101.91
<b>Bank Deposit with more than 12 months maturity on account of Bank Deposit as Margin Money Deposited *</b>	314.52	0.00
<b>Total in ₹</b>	<b>417.24</b>	<b>101.91</b>

\* Margin Money held with banks against opening of Letter of Credit (LC) including interest

**Note : 8 Other Non Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(Unsecured and Considered good)</b>		
Deposit with statutory authority under protest	35.63	35.63
Balance with Revenue Authorities	32.23	0.00
Compensated Absences	26.09	0.00
Others#	1.16	70.50
<b>Total in ₹</b>	<b>95.10</b>	<b>106.13</b>

#Other current assets includes advance paid Rs. 1.15 lacs(P.Y. Rs.16.31 Lacs) towards Defined Benefit Plan-Gratuity/ Compensated absences

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

### Note : 9 Inventories

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Raw Material	589.46	509.89
Work-in-Progress	278.65	293.25
Finished Goods	516.56	715.75
Consumables, Stores, Tools, Spares & Packing Material	398.03	551.45
Scrap	12.70	2.34
Goods-in-Transit	0.00	8.15
<b>Total in ₹</b>	<b>1795.39</b>	<b>2080.82</b>

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

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Raw Material	-	7.61
Consumables, Stores, Tools, Spares & Packing Material	-	0.54
<b>Total in ₹</b>	<b>--</b>	<b>8.15</b>

### Note : 10 Trade Receivables

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(Unsecured , Considered good)</b>		
Outstanding for more than six months	100.83	34.31
Others	2252.49	1328.02
<b>Total in ₹</b>	<b>2353.32</b>	<b>1362.33</b>

### Note : 11 (a) Cash & Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balances with Banks (Current Account)	50.23	40.03
Cash on Hand	3.84	2.37
* Fixed Deposit with maturity within 12 months	2129.66	2013.73
<b>Total in ₹ (A)</b>	<b>2183.73</b>	<b>2056.14</b>

\*Fixed Deposit maturity within 3 months Rs.660.52 Lacs & Maturity within 3-12 months Rs.1469.14 Lacs

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

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Earmarked Balances with Banks (Unpaid Dividend Account)	17.41	14.96
<b>Total in ₹ (B)</b>	<b>17.41</b>	<b>14.96</b>

<b>Total in ₹ (A)+(B)</b>	<b>2201.14</b>	<b>2071.10</b>
---------------------------	----------------	----------------

**Note: 12 (a) Other Financial Assets**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(Unsecured , Considered good)</b>		
Security Deposits	1.58	1.28
Interest Accrued But Not Due	92.97	70.61
<b>Total in ₹</b>	<b>94.56</b>	<b>71.89</b>

**Note: 12 (b) Current Tax Assets**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Advance Payment of Taxes/TDS (Net of provision of Rs.379.20 Lacs -(P.Y.Rs.350.78 Lacs))	0.77	0.31
<b>Total in ₹</b>	<b>0.77</b>	<b>0.31</b>

**Note : 13 Other Current Assets**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>( Unsecured , Considered good)</b>		
Advance to Suppliers	12.52	11.07
Balance With Revenue Authorities	841.21	718.09
Advance to Others	7.20	7.08
Prepaid Expenses	12.92	13.18
Receivable from employees	5.34	3.19
<b>Total in ₹</b>	<b>879.19</b>	<b>752.61</b>

**Note : 14 (a) Share Capital**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b><u>AUTHORIZED SHARE CAPITAL</u></b>		
12000000 Equity Shares of Rs. 10/- each. (P.Y. 12000000 Equity Shares of Rs. 10/- each)	1200.00	1200.00
5500000 Non Convertible Cumulative Preference Shares of Rs. 10/- each. (P.Y. 5500000 Non Convertible Cumulative Preference Shares of Rs. 10/- each.)	550.00	550.00
	<b>1750.00</b>	<b>1750.00</b>
<b><u>ISSUED CAPITAL</u></b>		
5471300 Equity Shares of Rs. 10/- each, fully paid up (P.Y. 5471300 Equity Shares of Rs. 10/- each fully paid up)	547.13	547.13
<b><u>SUBSCRIBED AND PAID UP CAPITAL</u></b>		
5356800 Equity Shares of Rs. 10/- each fully paid up (P.Y. 5356800 Equity Shares of Rs. 10/- each fully paid up)	535.68	535.68
<b>Total in ₹</b>	<b>535.68</b>	<b>535.68</b>

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

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

- b) The company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.
- c) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d)	Details of Shareholders holding more than 5% Shares as at 31 <sup>st</sup> March, 2021 and 31 <sup>st</sup> March, 2020 are as follows:	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
	<b>Name Of Shareholders</b>		
	Deepak Arneja		
	No of Shares	570900	570900
	(% of Shares held)	10.66	10.66
	Ravinder Mohan Juneja		
	No of Shares	505350	505350
	(% of Shares held)	9.43	9.43
	Anurag Arneja		
	No of Shares	580100	580100
	(% of Shares held)	10.83	10.83
	Ranbir Singh Narang		
	No of Shares	428500	428500
	(% of Shares held)	8.00	8.00
	Sudhir Arneja		
	No of Shares	392400	392400
	(% of Shares held)	7.33	7.33
	Kanta Devi		
	No of Shares	859400	859400
	(% of Shares held)	16.04	16.04

As per records of the Company, its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

- e) Bonus Shares/Buy Back/Shares for consideration other than cash issued during the period of five years immediately preceeding the financial year ended 31<sup>st</sup> March, 2021.
- Aggregate number of equity shares allotted as fully paid pursuant to contract without payment being received in cash - NIL
  - Aggregate number of equity shares as fully paid up by way of bonus shares - NIL
  - Aggregate number of equity shares bought back - NIL

- (f) Final dividends on shares are recorded as a liability on the date of approval by the shareholders. The amount of per share dividend recognized as distribution to equity shareholders is as follows :

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021 (Rs.)	Year ended 31 <sup>st</sup> March, 2020 (Rs.)
Interim dividend for fiscal 2021	2.00	
Final dividend for fiscal 2020	3.50	
Final dividend for fiscal 2019		3.00

The Board of Directors, at its meeting held on 10th February, 2021 recommended and paid interim dividend Rs.2.00 per equity shares for the financial year ended March 31, 2021, amounting to Rs.107.14 Lacs.

The Board of Directors, at its meeting held on 26th June, 2021, recommended a final dividend of Rs. 3.00/- per equity share for the financial year ended March 31, 2021. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and if approved, would result in a net cash outflow of approximately Rs. 160.70 Lacs. The final dividend of Rs. 3.00/- per equity share and the resultant expected cash outflow is based on the outstanding number of shares after considering shares bought back if any by the Company subsequent to the year ended March 31, 2021.

g) **Capital Management**

The Company's capital management objectives is to ensure the adequate return to the shareholder by maintaining the optimal capital structure.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Borrowings	0.02	1289.28
Cash and cash equivalents	(2183.73)	(2056.14)
<b>Net Borrowings (A)</b>	<b>(2183.72)</b>	<b>(766.86)</b>
Total Equity	0.07	5890.22
<b>Equity (B)</b>	<b>0.07</b>	<b>5890.22</b>
<b>Net Debt to equity C=(A/B)*100</b>	<b>(3298080.73)</b>	<b>(13.02)</b>

# MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

## Note : 14(b) Statement of Changes in Equity for the year ended 31st March, 2021 A. Equity Share Capital

Particulars	As at 31 <sup>st</sup> March 2020	Changes in equity share capital during the year	As at 31 <sup>st</sup> March 2021	Changes in equity share capital during the year	As at 31 <sup>st</sup> March, 2021
Equity Share Capital	535.68	0.00	535.68	0.00	535.68

## B. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income			Total
	General reserve	Capital Reserve	Other Reserves	Retained Earnings	Items that will not be reclassified to Profit and loss		
					Equity Instruments	Other Items	
<b>Balance as at 1 April, 2019</b>	<b>230.00</b>	<b>5.74</b>	<b>83.09</b>	<b>4,342.26</b>	<b>11.16</b>	<b>(7.27)</b>	<b>4,664.99</b>
Profit for the year	0.00	0.00	0.00	936.77	0.00	0.00	936.77
Re-measurement of gain/(loss) on defined benefit Plan (Net of Tax)	0.00	0.00	0.00	0.00	0.00	(46.34)	(46.34)
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of tax)	0.00	0.00	0.00	0.00	(7.43)	0.00	(7.43)
Less: Dividend of FY 18-19 paid in FY 19-20	0.00	0.00	0.00	(160.70)	0.00	0.00	(160.70)
Less: CDT of FY 18-19	0.00	0.00	0.00	(33.04)	0.00	0.00	(33.04)
Less: Excess/(Short) Provision of Previous Year	0.00	0.00	0.00	0.29	0.00	0.00	0.29
<b>Balance as at 31st March, 2020</b>	<b>230.00</b>	<b>5.74</b>	<b>83.09</b>	<b>5,085.57</b>	<b>3.73</b>	<b>(53.62)</b>	<b>5,354.53</b>
Profit for the year	0.00	0.00	0.00	1,038.06	0.00	0.00	1,038.06
Re-measurement of gain/(loss) on defined benefit Plans (Net of Tax) (Refer Note 32)	0.00	0.00	0.00	0.00	0.00	(16.58)	(16.58)
Fair value gain/(loss) of equity instruments through Other Comprehensive Income (Net of tax)	0.00	0.00	0.00	0.00	4.12	0.00	4.12
Less: Dividend (Rs. 3.50 per share ) of FY 19-20 paid in FY 20-21	0.00	0.00	0.00	(187.49)	0.00	0.00	(187.49)
Less: Interim Dividend (Rs. 2 per share) of FY 20-21	0.00	0.00	0.00	(107.14)	0.00	0.00	(107.14)
<b>Balance as at 31st March, 2021</b>	<b>230.00</b>	<b>5.74</b>	<b>83.09</b>	<b>5,829.01</b>	<b>7.85</b>	<b>(70.20)</b>	<b>6,085.50</b>

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

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

(₹ in Lacs)

Particulars	Current Portion		Non Current Portion	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b><u>Secured</u></b>				
<i>Repayable on Demand</i>				
<b><u>Working Capital Loans</u></b>				
- Overdraft (Indian Rupees Loan)#	424.50	319.37	0.00	0.00
- Foreign Currency Loan (PCFC)##	1086.07	969.91	0.00	0.00
<b>Total in Rs.</b>	<b>1510.57</b>	<b>1289.28</b>	<b>0.00</b>	<b>0.00</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 and Building situated at 60th KM Stone and 70th KM Stone, Delhi-Rohtak Road, Vill. Kharawar and Vill. Gandhra Distt. Rohtak, Haryana and personal guarantee by the directors/Promoters/Shareholders Mr. Deepak Arneja; Mr. Ravindra Mohan Juneja, Mr. Sudhir Arneja, Mr. Gagan Deep Singh Narang, Mr. Anurag Arneja and Mrs. Kanta Devi.

**# Note:** The outstanding balance is repayable on demand and carries interest @10.30%

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

**Note : 15 (b) Other Financial Liabilities**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Lease Liabilities	11.73	24.89
<b>Total in ₹</b>	<b>11.73</b>	<b>24.89</b>

**Note : 16 Provisions**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for Defined Benefit Obligations (Gratuity & / Compensated Absences)*	25.70	39.98
<b>Total in ₹</b>	<b>25.70</b>	<b>39.98</b>

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

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

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Deferred Tax Liability	115.91	157.44
<b>Total in ₹</b>	<b>115.91</b>	<b>157.44</b>

# MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

## Note : 17.1

Particulars	01 <sup>st</sup> April 2019	Recognised in Other Comprehensive Income (OCI)	Recognised of Statement of Profit & Loss	31 <sup>st</sup> March 2020
Deferred tax liability arising on account of :				
Timing difference between depreciation/amortization as per financials and depreciation as per tax	259.07	0.00	(64.90)	194.17
Software Expenditure	1.26	0.00	(0.16)	1.42
Gain / (Loss) on Foreign Exchange Fluctuation	4.44	0.00	(0.16)	4.28
<b>Deferred Tax Liability (A)</b>	<b>264.77</b>	<b>(0.00)</b>	<b>(64.90)</b>	<b>199.87</b>
Less: Deferred tax asset arising on account of :	-	-	0.00	0.00
Provision for employee benefits	13.68	15.59	12.83	42.10
Lease Liabilities (Impact of Transition to Ind AS 116)	0.00	0.00	0.33	0.33
<b>Deferred Tax Asset (B)</b>	<b>13.68</b>	<b>15.59</b>	<b>13.17</b>	<b>42.43</b>
<b>Net (DTA)/DTL</b>	<b>251.09</b>	<b>(15.59)</b>	<b>(78.07)</b>	<b>157.44</b>

Particulars	01 <sup>st</sup> April 2020	Recognised in Other Comprehensive Income(OCI)	Recognised of Statement of Profit & Loss	31 <sup>st</sup> March 2021
Deferred tax liability arising on account of :				
Timing difference between depreciation/amortization as per financials and depreciation as per tax	194.17	0.00	(33.52)	160.65
Software Expenditure	1.42	0.00	(2.04)	(0.62)
Gain / (Loss) on Foreign Exchange Fluctuation	4.28	0.00	0.00	4.28
<b>Deferred Tax Liability (A)</b>	<b>199.87</b>	<b>0.00</b>	<b>(35.56)</b>	<b>164.31</b>
Less: Deferred tax asset arising on account of :	-	-	0.00	0.00
Provision for employee benefits	42.10	5.57	(0.05)	47.61
Lease Liabilities (Impact of Transition to Ind AS 116)	0.33	0.00	0.45	0.79
<b>Deferred Tax Asset (B)</b>	<b>42.43</b>	<b>5.57</b>	<b>0.40</b>	<b>48.40</b>
<b>Net (DTA)/DTL</b>	<b>157.44</b>	<b>(5.57)</b>	<b>(35.97)</b>	<b>115.91</b>

## Note : 18 Trade Payables

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Total outstanding dues of Micro enterprises and Small Enterprises*	85.47	70.96
Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	1865.81	1662.41
<b>Total in ₹</b>	<b>1951.27</b>	<b>1733.36</b>



(a) Information as required to be finalized as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 for the year ended 31<sup>st</sup> March, 2021 is given below.

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year: (1) Principal Amount	-	-
_Principal Amount	85.47	70.96
_Interest Amount	-	-
the amount of interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

(b) This information has been compiled in respect of the parties to the extent they could be identified as Micro and Small Enterprises on the basis of the information available with the management as at 31<sup>st</sup> March, 2021.

**Note : 19 Other Financial Liabilities**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
*Unclaimed Dividend	17.41	14.96
Sundry Creditors for Capital Goods	7.36	0.00
Lease Liabilities	13.15	11.41
<b>Total in ₹</b>	<b>37.92</b>	<b>26.37</b>

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

**Note : 20 Other Current Liabilities**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Statutory Dues	19.20	21.41
Salary, Wages, Bonus & Allowances	167.42	174.43
Other Payables	0.00	0.04
Customer Advances	0.81	18.53
<b>Total in ₹</b>	<b>187.44</b>	<b>214.41</b>

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

### Note : 21 Provisions

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(a) Provisions for employee benefits		
Provision for Defined Benefit Obligations (Gratuity & Compensated Absences)*	85.80	58.44
(b) Provisions - Others		
- Others	61.09	76.54
<b>Total in ₹</b>	<b>146.89</b>	<b>134.98</b>

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

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

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
- Provision for Income Tax	0.00	0.00
<b>Total in ₹</b>	<b>0.00</b>	<b>0.00</b>

### Note : 23 Revenue from Operations

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>a) Sale of Products</b>		
Finished Product #	10183.61	9,718.57
	10183.61	9,718.57
<b>b) Other Operating Revenue</b>		
Steel & Scrap Sale #	146.70	123.91
Duty Drawback & Other Export Incentives	271.32	305.31
	418.02	429.21
<b>Total in ₹</b>	<b>10601.63</b>	<b>10,147.79</b>

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
(a) Details of Product sold		
High Tensile Fasteners #	10183.61	9718.57
(b) Earning in foreign exchange		
Export of goods (FOB) #	7290.07	6403.46

**Note : 24 Other Income**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Interest on		
-Fixed Deposits	147.51	99.63
-Other	7.08	10.28
Dividend Income on Long Term Investments	0.01	0.09
Exchange Rate Difference (Net)	45.45	121.35
Other Non Operating Income	36.86	38.26
<b>Total in ₹</b>	<b>236.91</b>	<b>269.60</b>

**Note : 25 Cost of Material Consumed**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Inventory at the Beginning of the Year	509.89	543.50
Purchases	3827.65	3649.73
	4337.54	4193.23
Inventory at the End of the Year	589.46	509.89
<b>Total in ₹</b>	<b>3748.08</b>	<b>3683.34</b>

Material Consumed Comprises:

- Wire Rods	3748.08	3683.34
-------------	---------	---------

**Note : 26 Change in Inventories of Finished Goods, Work in Progress & Stock in Trade**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Inventory at the Beginning of the Year</b>		
Work In progress	293.25	280.54
Finished Goods	718.09	632.20
	<b>1011.34</b>	<b>912.74</b>
<b>Inventory at the End of the Year</b>		
Work In progress	278.65	293.25
Finished Goods	529.25	718.09
	<b>807.91</b>	<b>1011.34</b>
Increase/(Decrease) in Inventory	<b>203.43</b>	<b>(98.60)</b>

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

### Note : 27 Employee Benefit Expense

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Salaries, Wages, Bonus & Allowances	1853.44	1944.07
Contribution to Provident Fund & Other Funds	70.54	68.49
Staff Welfare Expenses	37.58	35.96
<b>Total in ₹</b>	<b>1961.56</b>	<b>2048.52</b>

### Note : 27.1

(₹ in Lacs)

- a. Employees benefit expenses including managerial remuneration Rs.83.86 lacs(P.Y.Rs. 73.60 lacs). The Managerial Remuneration has been paid in accordance with the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, of the Company Act, 2013. Also refer Note 27.1 (b) for details about Employee Benefits.

### Note 27.1 (b) Employee benefit obligations

(₹ in Lacs)

Particulars	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
	Current	Non-current	Current	Non-current
Gratuity	37.66	25.70	20.21	20.12
Compensated Absences	48.15	(26.09)	38.23	19.86
<b>Total in ₹</b>	<b>85.81</b>	<b>(0.39)</b>	<b>58.44</b>	<b>39.98</b>

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

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

### Policy for recognizing actuarial gains and losses:

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

### Investment risk

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

### Mortality risk

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

### Salary risk

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

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

Description	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Current service cost	23.46	20.68
Interest cost(net)	2.73	(0.97)
<b>Expense recognized in the Income Statement as Employee Benefit Expense</b>	<b>26.19</b>	<b>19.71</b>
<b>Actuarial loss/(gain) recognized in Other Comprehensive Income (OCI)</b>	<b>22.15</b>	<b>61.93</b>
<b>Amount recognized in total Comprehensive Income</b>	<b>48.34</b>	<b>81.64</b>

## (ii) Change in the present value of obligation:

Description	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>234.99</b>	<b>149.11</b>
Current service cost	23.46	20.68
Interest cost	15.89	10.08
Past service cost	-	-
Benefits paid	(18.27)	(7.17)
Actuarial loss	22.51	62.29
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>278.58</b>	<b>234.99</b>

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

Description	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Fair value of plan assets at the beginning of the year</b>	<b>194.66</b>	<b>163.49</b>
Actual Return (net)	13.52	11.42
Contributions	25.31	26.92
Benefits paid	(18.27)	(7.17)
Actuarial gains/(losses)	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>215.22</b>	<b>194.66</b>

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

Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Present value of funded obligation as at the end of the year	278.58	234.99
Fair value of plan assets as at the end of the period funded status	215.22	194.66
<b>Unfunded/funded net liability/(Asset) recognized in balance sheet</b>	<b>63.36</b>	<b>40.33</b>

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

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

(₹ in Lacs)

Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	-	-
Actuarial (gain)/loss from experience adjustment	22.51	62.29
<b>Total actuarial (gain)/loss</b>	<b>22.51</b>	<b>62.29</b>

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

Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Actuarial (gains)/losses arising from experience adjustments	22.51	62.29
Actuarial gain /(loss) for the year on Asset	(0.36)	(0.36)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>22.15</b>	<b>61.93</b>

### (vii) Actuarial assumptions

Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Discount rate	6.69%	6.76%
Future Salary Increase	6.00%	6.00%
Retirement age	60 / 75 years	60 / 75 years

#### Notes:

- 1) The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities.
- 2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion, HR Policy and other relevant factors.
- 3) Plan assets comprise funds managed by the insurer i.e. Life Insurance Corporation of India ('LIC').
- 4) The best estimated expense for the next year is INR 31.56 lacs.

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

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

(₹ in Lacs)

Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Funds Managed by LIC	100%	100%

**(ix) Sensitivity analysis for gratuity liability**

Description	As at 31 <sup>st</sup> March, 2021
Impact of change in discount rate	
Present value of obligation at the end of the year	
- Impact due to increase of 0.50 %	(13.03)
- Impact due to decrease of 0.50 %	14.14
<b>Impact of change in salary increase</b>	
Present value of obligation at the end of the year	
- Impact due to increase of 0.50 %	12.66
- Impact due to decrease of 0.50 %	(11.78)

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

**(x) Maturity profile of defined benefit obligation**

Description	As at 31 <sup>st</sup> March, 2021
Within next 12 months	37.66
Between 1-5 years	47.66
Beyond 5 years	193.27

**(xi)** Weighted average duration of defined benefit obligation is 15.22 years as at 31 March 2021.(Previous Year 15.41 Years)

**Note 27.1 (b)(ii) Compensated Absences**

Compensated absence (being administered by Life Insurance Corporation of India) is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

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

Description	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Current service cost	14.48	13.06
Interest cost	3.93	(0.26)
Actuarial loss/(gain) recognised during the year	12.77	55.16
<b>Amount recognized in the statement of profit and loss</b>	<b>31.18</b>	<b>67.96</b>

# MOHINDRA FASTENERS LIMITED

Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

(ii) Change in the present value of obligation:

(₹ in Lacs)

Description	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>145.61</b>	<b>77.34</b>
Current service cost	14.48	13.06
Interest cost	9.84	5.22
Past service cost	-	-
Benefits paid	(7.37)	(4.37)
Actuarial loss	13.35	54.36
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>175.91</b>	<b>145.61</b>

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

Description	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>Fair value of plan assets at the beginning of the year</b>	<b>87.52</b>	<b>81.17</b>
Actual Return (net)	6.49	4.68
Contributions	67.21	6.04
Benefits paid	(7.37)	(4.37)
Actuarial gains/(losses)	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>153.85</b>	<b>87.52</b>

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

Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Present value of funded obligation as at the end of the year	175.91	145.61
Fair value of plan assets as at the end of the period funded status	153.85	87.52
<b>Unfunded/funded net liability/(Asset) recognized in balance sheet</b>	<b>22.06</b>	<b>58.09</b>

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

Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	(1.05)	-
Actuarial (gain)/loss from experience adjustment	13.35	54.36
<b>Total actuarial (gain)/loss</b>	<b>12.30</b>	<b>54.36</b>



**(vi) Actuarial assumptions**

Description	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Discount rate	6.69%	6.76%
Future Salary Increase	6.00%	6.00%
Retirement age	60 /75 years	60 / 75 years

- 1) The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities.
- 2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion, HR Policy and other relevant factors.
- 3) The best estimated expense for the next year is INR 17.36 lacs.

**(vii) Sensitivity analysis for Compensated Absences**

Description	As at 31 <sup>st</sup> March, 2021
Impact of change in discount rate	
Present value of obligation at the end of the year	
- Impact due to increase of 0.50 %	(5.32)
- Impact due to decrease of 0.50 %	9.82
Impact of change in salary increase	
Present value of obligation at the end of the year	
- Impact due to increase of 0.50 %	9.83
- Impact due to decrease of 0.50 %	(5.40)

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

**(viii) Maturity profile of defined benefit obligation**

Description	As at 31 <sup>st</sup> March, 2021
Within next 12 months	48.15
Between 1-5 years	17.51
Beyond 5 years	110.25

(ix) Weighted average duration of defined benefit obligation is 15.22 years as at 31 March 2021 (Previous year 15.41 years).

**27.1.(b)(iii) Defined Contribution Plan**

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees.

The provident fund is operated by the regional provident fund Commissioner and the Company is required to contribute a specific percentage of payroll cost to the retirement schemes to fund the benefits.

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

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

The expense recognized during the year towards defined contribution plan is INR 44.36 lacs ( 31 March 2020 -INR 48.79 lacs).

#### Note : 28 Finance Cost

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Interest Expenses on Borrowings	27.25	32.90
Interest on Lease Liabilities	3.99	5.13
Other Borrowing Costs	33.13	17.43
<b>Total in ₹</b>	<b>64.37</b>	<b>55.46</b>

#### Note : 29 Depreciation & Amortisation Expense

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Depreciation on Property, Plant & Equipment tangible assets (Owned Assets)	302.79	339.02
Depreciation on Right-of-use-Assets	13.21	11.66
Amortisation on intangible assets	3.28	3.40
<b>Total in ₹</b>	<b>319.28</b>	<b>354.07</b>

#### Note : 30 Other Expenses

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Consumption of Stores & Spare Parts	1086.33	1068.52
Power & Fuel Consumed	618.35	737.14
Factory Building Maintenance	59.92	8.23
Repair & Maintenance to Plant & Machinery	105.01	96.00
Insurance Expenses	19.98	19.38
Rates, Taxes & Duties	10.39	18.09
Job Work Expenses	502.07	453.06
Packing Material Consumed	244.49	222.76
Freight Outward	308.61	252.50
Rebate & Discount	31.52	52.01
Payment to Auditors*	4.89	5.51
Corporate Social Responsibility Expenditure (Refer Note 42)	22.13	19.50
Miscellaneous Expenses	147.61	212.73
<b>Total in ₹</b>	<b>3161.28</b>	<b>3165.42</b>

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

(₹ in Lacs)

Particular	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
As Auditor		
- Audit Fees	4.35	4.35
- Certification Fees for other services	0.50	0.50
- For Reimbursement of Expenses	0.04	0.66
<b>Total in ₹</b>	<b>4.89</b>	<b>5.51</b>

**Note : 31 Tax Expense**

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Income tax recognised in Statement of Profit & Loss		
Current Tax	378.43	350.47
Deferred Tax	(35.96)	(78.07)
<b>Total income tax expenses recognised in the current year</b>	<b>342.47</b>	<b>272.39</b>

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

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Profit before tax	1380.53	1209.17
Applicable Tax rate*	25.168%	25.168%
Computed Tax Expense	347.45	304.32
Tax effect of:		
Difference in book depreciation and amortisation and depreciation and amortisation as per Income Tax Act, 1961	28.10	31.12
Charity donation and CSR Expenses	5.62	5.17
Deduction under Chapter VIA	(2.78)	(2.45)
Others	0.05	12.31
<b>Current Tax Provision (A)</b>	<b>378.43</b>	<b>350.47</b>
Deferred tax expense reported in the statement of Profit and Loss	(35.97)	(78.07)
<b>Deferred Tax Provision (B)</b>	<b>(35.96)</b>	<b>(78.07)</b>
Tax expense recognised in Statement of Profit and Loss (A+B)	342.47	272.39
<b>Effective Tax rate</b>	<b>24.807%</b>	<b>22.527%</b>

\*\*Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, which is effective from April 1, 2019, domestic companies have the option to apply a Special Income tax rate U/s 115BAA with effect from April 1, 2019 subject to certain conditions specified there in. The Company has exercised the above option and accordingly, it has recognised provision for income tax and remeasured its deferred tax liability for the year ended March 31, 2021 based on the lower annual effective income tax rate.

## MOHINDRA FASTENERS LIMITED

### Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

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

(₹ in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit	(22.15)	(61.93)
Income Tax effect on above	5.57	15.59
Net (loss)/gain on equity Instrument/Securities	4.12	(7.43)
Income Tax effect on above	0	0.00
<b>Total in ₹</b>	<b>(12.46)</b>	<b>(53.77)</b>

#### Note : 33 Earnings Per Equity Share

(Rs. in Lacs except number of shares)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Nominal value of equity share	10	10
Profit attributable to equity shareholders (A)	1038.06	936.77
Weighted average number of equity shares outstanding during the year (B)	5356800	5356800
<b>Basic earnings per equity share (A/B)</b>	<b>19.38</b>	<b>17.49</b>
Dilutive effect on profit (C)	-	-
Profit attributable to equity shareholders for computing (D) = (A) + (C)	1038.06	936.77
Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
Weighted average number of equity shares for computing Diluted EPS (F) = (B) + (E)	5356800	5356800
Diluted earnings per equity share (D/F)	19.38	17.49

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

- a) The Company received Show Cause Notice (SCN) dated 03rd June, 2016 from the Ministry of Corporate Affairs, for the violation of Sections 211(3A) and 211(3C) with regard to Accounting Standards 1,2,9,12,18 & 26 and Section 217(2AA) of the Companies Act, 1956. The company filed detailed replies to the SCN vide dated 20th June, 2016 and also filed the compounding applications under section 621A of the companies Act, 1956 vide dated 26th July, 2016 and further correspondences made in 16th November, 2016. The adjudication thereof is pending from Honorable ROC and hence the possible consequences arising out of the same on the company are not presently ascertainable.

**Note : 35 Related party disclosure as per Ind AS 24**a) **Parties where control exists:** NILb) **Other parties with whom the company has entered into transactions during the year:-**i) **List of Key Management Personnel**

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

ii) **Close Family Members of Key Management Personnel who are under the Employment of the Company:**

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

**Details of Related Party Transactions during the year ended 31<sup>st</sup> March, 2021:**

(₹ in Lacs)

Nature of Transaction	Key Management Personnel &/ Close family member of KMP	Total (Amount in Rs.)
Remuneration	162.45 (152.25)	162.45 (152.25)
Dividend Paid	*93.14 (50.81)	*93.14 (50.81)
Sitting Fees	1.20 (0.80)	1.20 (0.80)
<b>Balance Outstanding as at the end of the year:</b>		
Remuneration Payable	14.36 (12.88)	14.36 (12.88)

**Note:-** The Figures shown above in ( ) are belongs to previous Year**Disclosure in respect of Related Party Transactions during the year:**

(₹ in Lacs)

Particulars	Relationship	2020-21	2019-20
<b>a) Remuneration:</b>			
<b>Short Term Employee Benefits:-</b>			
1. Deepak Arneja	Key Management Personnel	43.68	37.64
2. Ravinder Mohan Juneja	Key Management Personnel	40.18	35.96
3. Sudhir Arneja	Close Family Member of Key Management Personnel	23.59	22.24
4. Dheeraj Juneja	Close Family Member of Key Management Personnel	22.93	23.63
5. Sunil Mishra	Chief Financial Officer	24.54	25.25
6. Nidhi Pathak	Company Secretary	7.53	7.53

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

Particulars	Relationship	2020-21	2019-20
<b>b) Sitting Fees:</b>			
1. Gagandeep Singh Narang	Key Management Personnel	0.30	0.10
2. Vinod Kumar	Key Management Personnel	0.40	0.30
3. Ved Prakash Chaudhry	Key Management Personnel	0.40	0.30
4. Shamoli Thakur	Key Management Personnel	0.10	0.10
<b>c) Dividend Paid:</b>			
1. Deepak Arneja	Key Management Personnel	31.40	17.13
2. Ravinder Mohan Juneja	Key Management Personnel	27.79	15.16
3. Gagandeep Singh Narang	Key Management Personnel	03.59	1.96
4. Vinod Kumar	Key Management Personnel	0.11	0.06
5. Sunil Mishra	Key Management Personnel	0.03	0.02
6. Dheeraj Juneja	Close Family Member of Key Management Personnel	8.64	4.71
7. Sudhir Arneja	Close Family Member of Key Management Personnel	21.58	11.77

### Terms and conditions of transactions with related parties:

- Director's remuneration for the year 2020-2021 is as per limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013.
- All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.
- \*This amount of dividend is the sum of final dividend related to FY 2019-20 & paid during the FY 2020-21 and an interim dividend related to FY 2020-21 & paid during the FY 2020-21.

### Note : 36 Disclosure in respect of Derivative Instruments:-

- No Derivates Instruments (Forward Exchange Contract) outstanding as at 31st March, 2021.
- Foreign currency exposures that are not hedged by derivative instruments as at 31st March, 2021:-

(₹ in Lacs)

Particulars	EURO	USD	GBP
<b>Import Trade Payables</b>	<b>0.10</b> (0.00)	<b>2.27</b> (0.00)	<b>0.00</b> (0.00)
<b>Export Trade Receivables</b>	<b>11.85</b> (5.23)	<b>5.39</b> (1.70)	<b>0.50</b> (1.12)
<b>Working Capital Loan (PCFC)</b> (Including Interest)	<b>9.55</b> (7.90)	<b>2.33</b> (3.40)	<b>0.87</b> (0.98)

**Note : 37** Value of imported and indigenous Raw Material, Store and Spare parts and packing material consumed and percentage of each to the total consumption as Certified by the management:-

(₹ in Lacs)

Item	2020-21		2019-20	
	Value	% age	Value	% age
<b>Raw Material</b>				
Imported	104.36	2.78	198.36	5.39
Indigenous	3643.72	97.22	3484.98	94.61
	<b>3748.08</b>	<b>100.00</b>	<b>3683.34</b>	<b>100.00</b>

Item	2020-21		2019-20	
	Value	% age	Value	% age
<b>Stores, Spare parts and Packing Material</b>				
Imported	72.87	05.52	107.18	08.30
Indigenous	1257.94	94.48	1184.10	91.70
	<b>1330.82</b>	<b>100.00</b>	<b>1291.28</b>	<b>100.00</b>

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

(₹ in Lacs)

	2020-21	2019-20
- Plant & Machinery	--	24.61
- Raw Material	149.39	163.51
- Consumables, Stores & Spares	31.57	14.16
- Packing Material	19.70	32.10
- Tool & Dies	23.02	41.84

**Note : 39 Expenditure in Foreign Currency**

(₹ in Lacs)

	2020-21	2019-20
- Travelling Expenses	--	14.74
- Business Promotion & Advertisement	--	0.70
- Bank Charges	3.88	4.99
- Interest on PCFC	20.70	28.54
- Commission	49.92	36.94

**Note : 40 Earning in Foreign Currency**

(₹ in Lacs)

	2020-21	2019-20
Exports at FOB Value	7290.07	6403.46

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

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

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

(₹ in Lacs)

Particulars	Addition for the year ended March 31, 2021 (Right-of-use asset and Lease Liabilities) (refer Note 5(b) and Note 15 and Note 19)	Depreciation on right-of-use asset during the year 2020-21 (Refer Note 5 (b))	Interest on Lease Liabilities shown as Finance cost during year ended March 31, 2021 (refer Note 28)	Lease Rent shown as other expenses during year ended March 31, 2021
Land & Building	46.63	13.15	3.99	17.14

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

### Note : 42 Expenditure on Corporate Social Responsibility (CSR)

(₹ in Lacs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Gross amount required to be spent (i.e. 2% of average net profit u/s 198 of the Companies Act, 2013 of last three preceding years)	22.13	19.35
b) Amount spent on:		
i) Construction/ acquisition of any asset	00	00
ii) On purpose other than i) above		
a. animal welfare and birds welfare	22.13	19.50

### Note : 43 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

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

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

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

The Company's all operating divisions identify the risks as perceived by them and take immediate steps to minimize the impact and at the same time submit a report to the next higher level of reporting.

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

#### a) Market risk

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

#### b) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted. The company is exposed to credit risk from its operating activities (primarily **trade receivables**) and from its financing activities, including, foreign exchange transactions and other financial instruments.

The Company enters into long term contracts with its regular customers thereby eliminating uncertainties also mitigates the risk exposure on high risk customers and avoids any such contracts with them. Further, one of the customers' of the Company forms more than 10% of the Company's total revenues as the Company makes a continuous effort in expanding its customer base. Outstanding customer receivables are regularly monitored and reviewed by the senior management periodically. At 31st March, 2021, the top 10 customers accounted for approximately 61% of all the receivables outstanding. At 31st March, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 31st March analyzed by the length of time past due, are:

(₹ in Lacs)

	As at 31st March, 2021	As at 31st March, 2020
More than 180 days	121.72	48.96
Not More than 180 days	2252.49	1334.26
<b>Total (Refer Note. 6(b) &amp; 10)</b>	<b>2374.21</b>	<b>1383.22</b>



**c) Interest rate risk**

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

**d) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's borrowings in foreign currency. (Refer Note No. 36 to Ind AS Financial Statement).

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

**e) Equity price risk**

The Company's investments are in listed equity securities. Equity risk is the risk involved in the changing prices of stock investments in the share market. All the investments in the equity portfolio are reviewed and approved by the Board of Directors.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 9.24 Lacs (Rs. 5.12 Lacs as at 31st March, 2020).

**f) Financial instruments and cash deposits**

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

**g) Liquidity risk**

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

The company does not have any long term debt outstanding as on 31.03.2021. The Company assessed the concentration of risk with respect to refinancing its short term debt and concluded it to be low. The Board of Directors periodically reviews the Company's business requirements vis-a-vis the source of funding.

The table below summaries the maturity analysis of the Company's Trade Payable, Lease Liabilities on account of transition to Ind AS 116 and financial liabilities except short term borrowing repayable on demand:

(₹ in Lacs)

Year ended 31st March, 2021	Less than one year	More than one year
Interest-bearing borrowing except short term borrowings	Nil	Nil
Other financial liabilities	24.77	Nil
Lease Liabilities	13.15	11.73
Trade Payables	1950.56	0.71

(₹ in Lacs)

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

# MOHINDRA FASTENERS LIMITED

## Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2021 (Contd.)

---

### h) Other risk – Impact of COVID-19

Due to outbreak of Coronavirus (COVID-19) which had been declared as a pandemic by the World Health Organisation and subsequent lock down ordered by the Central and State Governments(s) in India, the manufacturing activities of the Company remained suspended from March 23, 2020 onwards. The Company in compliance with the necessary instructions guidelines, resumed its manufacturing operations from April 27, 2020 in a phased manner, while ensuring health and safety of all the stakeholders.

This situation resulted in temporary disturbance in the economic activities through interruption in manufacturing process, disruption in supply chain, etc. for the Company during the year ended 31st March, 2021. This lockdown has impacted the sales performance of the Company during the first quarter of this year and also resulted in the financial burden for the Company as implementation of Company's green field project (construction of new Plant) came to a halt, although there is no impact seen on capital & financial resources of the company because the Company has no long term debt and the utilization of working capital is well within the bank limits. Despite all this situation, our Company has earned a higher net profit for the year ended March, 31, 2021 as compared to previous year ended March 31, 2020.

Further the recent second wave of COVID-19 has resulted in partial lockdown/restriction in various states. However, the Company is closely monitoring the impact of the aforementioned pandemic and believes that there were will not be any adverse impact on the long term operations and performance of the Company.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature, duration and the extent covering almost the whole world. Overall, the balance period of the financial year, of 2021–2022, is likely to be difficult but we do hope the business situation should normalize from the 3rd and 4th Quarter of this year.

As per our report of even date

For B.L. Khandelwal & Co.

**Chartered Accountants**

**FRN: 000998N**

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

**CA B.L. Khandelwal**

*(Partner)*

Membership No. F-12331

**Deepak Arneja**

(Managing Director & CEO)

DIN:- 00006112

**Ravinder Mohan Juneja**

(Managing Director)

DIN:- 00006496

**Place: New Delhi**

**Date: 26/06/2021**

**Sunil Mishra**

(Chief Financial Officer)

**Nidhi Pathak**

(Company Secretary)