



FASTENING REDEFINED

MOHINDRA FASTENERS LIMITED

Reg. Office:

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

CIN: L74899DL1995PLC064215

Website: www.mohindra.asia

E-mail: csnidhipathak@mohindra.asia

28th (TWENTY EIGHT) ANNUAL GENERAL MEETING

DATE : WEDNESDAY, 28TH SEPTEMBER, 2022

TIME : 11.30 AM

TO BE CONVENED THROUGH VC/OAVM

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BOARD OF DIRECTORS

Designation	Name of Directors
Chairman Cum Managing Director & CEO	Mr. Deepak Arneja
Managing Director	Mr. Ravinder Mohan Juneja
Non – Executive Director	Mr. Ranbir Singh Narang w.e.f. 13/08/2022
Non – Executive Director	Mr. Gagandeep Singh Narang resigned w.e.f. 01/08/2022
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

MOHINDRA FASTENERS LIMITED

CORPORATE INFORMATION	
Director – Operations	Mr. Sudhir Arneja
Director – Operations	Mr. Anurag Arneja
General Manager – SCM	Mr. Dheeraj Juneja
General Manager – Sales & Marketing	Mr. Prateek Arneja
Statutory Auditor	M/s B. L. Khandelwal & Co (Practicing Chartered Accountant) B4/167, Sector-7, Rohini, New Delhi –110085
Secretarial Auditor	M/s Anand Nimesh & Associates (Practicing Company Secretary) 89/3, Street No. 4, East Guru Angad Nagar, New Delhi – 110094
Cost Auditor	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
Registrar & Share Transfer Agent	Skyline Financial Services Private Limited D – 153 / A, 1st Floor, Okhla Industrial Area, Phase – 1, New Delhi – 110020, Tel:- 011-40450193 - 97, Email Id: compliances@skylinerta.com
Company’s Banker	The Karnataka Bank Limited 11/14, West Patel Nagar, New Delhi – 110008
Work Place	
Registered office	304, Gupta Arcade, Inder Enclave, Delhi – Rohtak Road, New Delhi - 110087 Tel: 011-46200400, E-mail Id: csnidhipathak@mohindra.asia
Corporate Office	301 – 304, Vardhman Plaza, Inder Enclave, Paschim Vihar, Delhi – Rohtak Road, New Delhi – 110087 Tel: 011-46200400, E-mail Id: csnidhipathak@mohindra.asia
Manufacturing Units	<ul style="list-style-type: none"> • Plant I - 60th K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &P.O. Kharawar, District Rohtak, Haryana-124001. • Plant II - 60th K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V & P.O. Gandhra, District Rohtak, Haryana-124001. • Plant III - Plot No 42, 43 & 44, Sector 31B, IMT, Rohtak, Haryana-124001. • Plant IV - 70th K. M. Stone, Delhi – Rohtak Road, N. H. No. 10, V &P.O. Kharawar, District Rohtak, Haryana-124001.



Deepak Arneja

Chairman Cum
Managing Director & CEO

Dear Shareholders,

Hope you and your loved ones' are keeping safe and doing well in such uncertain times.

Overview

The Financial Year 2021-2022 began with the intensive second wave of the Coronavirus pandemic, which peaked in the first quarter of the year. It was a difficult period for our employees and our business associates and for the entire country, as many of us lost some of our beloved ones'. During this trying time, it was heartening to see that everyone rose to the occasion and extended a helping hand to those most in need, whether it was providing oxygen concentrators, assisting in hospitalization, providing food, providing support and so on. The company had also put in place procedures to ensure that timely support was available not just to our employees but to the communities around us. We played a proactive role in helping the mankind in our district by collaborating with the local district authorities. At the same time the government rolled out an unprecedented gigantic

vaccination drive to vaccinate over 130 Crore people in the country. The steps taken by the government over and above the vaccination drive, brought the pandemic under control and helped restore a sense of normalcy but the nation, the families had to pay a huge price in terms of lives lost. We would like to acknowledge with gratitude and appreciation the untiring efforts of all those who made this possible. They are the true warriors of the society.

The past two years have been very challenging owing to the impact of the Coronavirus pandemic. As a result, the pandemic has brought about socio cum physiological changes in us which has made us a little vulnerable but flexible in our approach and agile in our execution. With the opportunity thus provided, the Company has taken a giant leap forward and recorded the highest turnover with one of the highest profitability levels since its inception with the support of all the stakeholders. Although the second and third waves of the Coronavirus pandemic again influenced normal life but globally things have started settling to a new normal and optimistically for a better tomorrow.

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 and focusing on Exports, as the markets worldwide were looking for filling up the supply chains which were dry since a long time. Our teams helped customers maintain business continuity during peak disruption, and helped them to accelerate their growth and transformation. The dedication shown by MFL's team across all departments, our receptivity to adapt to the changing business needs 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 closed 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 ably guided by the Owner Management resorted to cost controls and implemented them effectively, which paid off well in terms of better profitability for the company.

MFL has earned a higher net profit of Rs. 1244.70 lakhs for the year 2022 as compared to corresponding figure in the previous year which was at Rs. 1038.06 lakhs for the year 2021 (a growth of about 20%). The total revenue from the operations of MFL for the year ended March 31, 2022 was at Rs. 136,80.67 lakhs as against Rs. 108,38.54 lakhs in the previous year (a growth of over 25%).

Exports have always remained backbone of the Company and the results have been tremendously encouraging this year also, despite the fall in sales in the first quarter, owing to the Coronavirus pandemic. Our export sales for the year ended March 31, 2022 was higher at Rs. 10219.61 lakhs as against Rs. 7385.48 lakhs in the previous year 2021 (a growth of over 38%). This is the first time when a segment sale (exports in this case), crossed the mark of Rs. 100 Crores. At the domestic front, due to the drop in industry volumes, our inland sale was lower at Rs. 29,99.25 lakhs as against Rs. 32,16.15 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, 2022 was at Rs. 1920.84 lakhs as against Rs. 1764.18 lakhs in the previous year 2021 (a growth of over 8%).

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The Earnings per share (EPS) for the year ended March 31, 2022 was higher at Rs. 23.00 compared to Rs. 19.38 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 construction activities have completed and we plan to undertake the trial runs in September 2022 once we have received the necessary approvals from the concerned departments. A large number of new machines have already arrived at the new facility and the remaining machines are likely to reach before mid-September 2022. The electricity connection has been sanctioned and further activities are underway to secure the approvals from other departments. The business operations & activities in the new Plant III, which also entail shifting of the machines from other plants would tentatively start by October of this year.

In continuing with our tradition of directing surplus cash to shareholders, your company has paid the interim dividend in the current financial year 2022-23. The Board of Directors have declared an interim dividend of ₹4 (40%) for the financial year 2021-22.

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.

The Company continues to focus on its operational efficiency, cost control, cash conservation and ensuring sustainability of its existing businesses.

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 28th (Twenty Eighth) Annual General Meeting of the Members of MOHINDRA FASTENERS LIMITED will be held on **Wednesday, the 28th September, 2022 at 11.30 A.M. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider & adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2022, 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 Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2022 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 confirm the payment of an Interim Dividend aggregating to Rs. 4.00 per equity share for the financial year ended March 31, 2022.

To consider & if though fit, to pass the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT the Interim Dividend of Rs. 4.00 per equity share of Rs. 10 each fully paid up, declared/ approved by the Board of Directors and already paid, be and is hereby confirmed for the Financial Year 2021-22.”

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

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

4. To approve the re-appointment of M/s B. L. Khandelwal & Co., New Delhi as Statutory Auditors of the Company.

To consider & if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT M/s. B.L. Khandelwal & Co., Chartered Accountants, New Delhi (ICAI Registration No. 000998N), are hereby re-appointed as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013, whose term expires at the conclusion of the 28th Annual General Meeting.

RESOLVED FURTHER THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013, M/s. B.L. Khandelwal & Co., Chartered Accountants, New Delhi, shall hold office as the Statutory Auditors of the Company, for the second term of five consecutive years i.e. till the conclusion of the 33rd Annual General Meeting of the Company to be held in year 2027, on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit.”

SPECIAL BUSINESS:

5. To ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2023.

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT the amount of remuneration 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, 2023, 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 as explained in the explanatory statement.”

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6. To appoint Mr. Ranbir Singh Narang (DIN: 00250927) as a Non-Executive & Non-Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules framed thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Ranbir Singh Narang (DIN: 00250927), who was appointed by the Board of Directors as an Additional Director (Non-Executive and Non-Independent) of the Company with effect from 13th August, 2022 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, and who holds office as an Additional Director up to the date of this Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as a Director (Non-Executive and Non-Independent) of the Company, liable to retire by rotation.

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

7. To approve the remuneration payable to Mr. Sudhir Arneja (Director-Operations) holding an office or place of profit in the Company.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) read with Companies (Meetings of Board and its Powers) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), as per the recommendation and approval of Nomination and Remuneration Committee and Audit Committee in the meeting held on 13.08.2022, consent of the shareholders be and is hereby accorded to the Board of Directors to enhance the existing limit of remuneration payable to Mr. Sudhir Arneja, Director-Operations, being a related party and holding office or place of profit under the Company, maximum **up to ₹40 Lakhs/- (Rupees Forty Lakhs Only) per annum** (including all allowances, perquisites and benefits that he is entitled to in accordance with the Company’s rules and regulations in force), effective from the approval of the shareholders.

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

8. To approve the remuneration payable to Mr. Dheeraj Juneja (General Manager - SCM) holding an office or place of profit in the Company.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) read with Companies (Meetings of Board and its Powers) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), as per the recommendation and approval of Nomination and Remuneration Committee and Audit Committee in the meeting held on 13.08.2022, consent of the shareholders be and is hereby accorded to the Board of Directors to enhance the existing limit of remuneration payable to Mr. Dheeraj Juneja, General Manager-SCM, being a related party and holding office or place of profit under the Company, maximum **up to ₹40 Lakhs/- (Rupees Forty Lakhs Only) per annum** (including all allowances, perquisites and benefits that he is entitled to in accordance with the Company’s rules and regulations in force), effective from the approval of the shareholders.

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

Place: New Delhi
Dated: 13.08.2022

By Order of the Board
(Deepak Arneja)
DIN: 00006112

Chairman Cum Managing Director & CEO

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”), Government of India issued General circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022, respectively, (“MCA Circulars”) as well as SEBI Circular dated May 13, 2022 allowing, inter-alia, conduct of AGMs through Video Conferencing/Other Audio Visuals Means facility on or before December 31, 2022 without the physical presence of the Members at a common venue. In compliance with these Circulars, provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 (“Listing Regulations”), the 28th AGM of the Company is being conducted through VC / OAVM. The deemed venue for the 28th AGM shall be the Registered Office of the Company.
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 required to send a duly certified copy of the board resolution / power of attorney, etc authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting to the Scrutinizer at vdnext1711@gmail.com.
4. 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.
5. 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.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), in respect of the Business(es) to be transacted at the Annual General Meeting (“AGM”) is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment and re-appointment at this Annual General Meeting (“AGM”) is also annexed.
7. (i) In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with Annual Report for the financial year 2021-22 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 2021-22 will also be available on the Company’s website www.mohindra.asia, website of the stock exchange i.e. Metropolitan Stock Exchange of India Limited at www.msei.in and on the website of NSDL www.evoting.nsdl.com.
(ii) Members of the Company holding shares either in physical form or in Dematerialized forms as on Benpose date i.e. Friday 02nd September, 2022 will receive Annual Report for the financial year 2021-22 through electronic mode only.
8. 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 on or before 23rd September, 2022 mentioning their name, demat account number/ folio number, email id, mobile number at csnidhipathak@mohindra.asia. The same will be replied by the management suitably.
9. 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 the Registrar and Share Transfer Agent of the Company i.e. Skyline Financial Services Private Limited” at compliances@skylinerta.com & admin@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 <https://www.skylinerta.com/EmailReg.php>.

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10. Members, holding shares in physical form, are requested to send a signed request letter in form ISR-1 made available on Company's website along with supporting documents for the following to the Registrar and Share Transfer Agent (Skyline Financial Services Pvt. Ltd.) of the Company:-
- any change in their address / bank mandate.
 - particulars of their bank account, in case they have not been sent earlier.
 - 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.
 - 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.
 - 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.
11. 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.
12. In the case of joint holders, the vote of the first holder who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders.
13. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday September 22, 2022 to Wednesday September 28, 2022 (both days inclusive)** for the purpose of this Annual General Meeting (AGM).
14. 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 2000 equity shares during the financial year 2021-2022 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) started from 2014-15 or onwards, before the respective amounts become due for transfer to the IEPF Authority.

Details of dividend declared by the Company from financial year 2014-2015 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 of amount to IEPF	Amount (in Rs.) As on 31 st March, 2022
2014-15	2.00	30/09/2015	03/11/2022	04/11/2022	2,15,610.00
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	2,28,174.75
2017-18	2.50	28/09/2018	30/10/2025	31/10/2025	2,16,282.50
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	2,82,346.00
2020-21 (interim)	2.00	10/02/2021	14/03/2028	15/03/2028	2,06,212.00
2020-21 (final)	3.00	23/09/2021	27/10/2028	28/10/2028	2,58,897.00

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 and Email ID: csnidhipathak@mohindra.asia 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.

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

15. 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.
16. In compliance with the aforesaid MCA Circulars, the video recordings of the AGM will be made available on the website of the Company, www.mohindra.asia.
17. 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 below 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.
18. Instructions for e-voting and joining the AGM are as follows:

The remote e-voting period begins on Friday 23rd September, 2022 at 09:00 A.M. and ends on Tuesday 27th September, 2022 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 cut-off date i.e. Wednesday 21st September, 2022, 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 21st September, 2022.

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.

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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"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com 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 & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="text-align: center;">  App Store  Google Play </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 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. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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.
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***

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

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

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

1. 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 vdnext1711@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. Pallavi Mhatre, 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 admin@skylinerta.com / compliances@skylinerta.com
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 admin@skylinerta.com / compliances@skylinerta.com. 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.
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.

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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 on or before 23rd September, 2022. 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 21, 2022 (Wednesday). 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 21, 2022 (Wednesday), may obtain the login ID and password by sending a request to evoting@nsdl.co.in / compliances@skylinerta.com.
- 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 **i.e. on or before 30th September, 2022** 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 28 2022**. The results along with the Scrutiniser's Report shall be placed on the website of the Company 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: 13.08.2022

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

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 (“ACT”), THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED UNDER ITEM NO. 4 to 6 OF THE ACCOMPANYING NOTICE:

ITEM NO. 4:

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the same is strictly not required as per Section 102 of the Act.

The Members at the 23rd Annual General Meeting (“AGM”) of the Company held on September 28, 2017, had approved the appointment of M/s. B. L. Khandelwal & Co., Chartered Accountants (Firm Registration No.: 000998N), as Statutory Auditors of the Company, to hold office till the conclusion of the 28th AGM.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., pursuant to the recommendation by the Audit Committee, the Board of Directors of the Company at its meeting held on August 13, 2022, proposed the re-appointment of M/s. B. L. Khandelwal & Co., as the Statutory Auditors of the Company, for a second term of five consecutive years from the conclusion of 28th AGM till the conclusion of 33rd AGM of the Company to be held in the year 2027, at a remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit.

M/s. B. L. Khandelwal & Co., have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

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

The Board recommends the Ordinary Resolution set forth in the notice (Agenda Item No. 4) for approval by the members.

ITEM NO. 5:

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, 2023.

On the recommendation of the Audit Committee, Mr. Sanjay Kumar Garg (Membership No. 20707), B.COM, FCMA, FIPA, FFA, CMA(USA), FloV, 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, 2023 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, 2023 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.

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

The Board recommends the Ordinary Resolution set forth in the notice (Agenda Item No.5) for approval by the members.

Item No. 6:

Pursuant to provisions of Section 152, 161 of the Companies Act, 2013 (“the Act”) read with the applicable rules made thereunder, the Board of Directors of the Company (“Board”), basis the recommendation of the Nomination and Remuneration Committee (“NRC”), appointed Mr. Ranbir Singh Narang (DIN: 00250927) as an Additional Director (Non-Executive and Non-Independent) of the Company with effect from 13th August, 2022, subject to the approval of the members.

In accordance with the provisions of Section 161 of the Act read with the applicable rules made there under and the Article of Association of the Company, Mr. Ranbir Singh Narang being an Additional Director, holds office up to the

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date of the 28th Annual General Meeting (“AGM”) of the Company. The Company has received a notice in writing from a Member of the Company under Section 160 of the Act signifying his intention to propose the appointment of Mr. Ranbir Singh Narang for the office of a Director (Non-executive and Non-independent) of the Company.

Mr. Ranbir Singh Narang is not disqualified from being appointed as a Non-Executive Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. He is not debarred from holding the office of a director by virtue of any order issued by the Securities and Exchange Board of India or any other such authority.

Above named Director has not completed the age of 75 years and hence compliance with Regulation 17(1A) of SEBI (LODR) (Amendment) Regulations, 2020 does not apply to this appointment.

Brief resume and other details of Mr. Ranbir Singh Narang are provided in annexure to this Notice pursuant to the provision of SEBI Listing Regulations and Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Ranbir Singh Narang, to whom the resolution relates, are concerned or interested in the proposed Resolution.

The Board recommends the Ordinary Resolution set forth in the notice (Agenda Item No. 6) for approval by the members.

Item No. 7:

Pursuant to provision of Section 188(1)(f) of the Companies Act, 2013, consent of the members of the Company is, inter alia, required to be accorded by the Company, where a Director or relative of a director is appointed to an office or a place of profit in the Company at a monthly remuneration exceeding Rs. 2.50 Lakhs. Therefore, the Company now seeks prior approval of the shareholders to, enhance the prescribed limit of remuneration payable to related parties holding office or place of profit in the company, as computed under applicable provisions of Companies Act, 2013 & rules made thereunder.

The Board of Directors at its meeting held on August 13, 2022 based on recommendation of Nomination and Remuneration Committee and Audit Committee, have approved the increase in remuneration of Mr. Sudhir Arneja, Director-operations, being brother of Mr. Deepak Arneja (Chairman & Managing Director & CEO) and holding position of office or place of profit in the Company.

Mr. Sudhir Arneja, associated with the Company from its inception and He has more than 25 years of experience of holding the responsible position in the Company “Mohindra Fasteners Limited” and presently holding position of Director-operations. His production expertise/techniques have benefited the organization significantly.

Presently, he is drawing remuneration from the Company within the limit prescribed under the Companies (Meetings of Board and its powers) Rules 2014 i.e. up to ₹2.50 Lacs p.m (₹30.00 Lacs p.a.). However, considering the increasing scale of business of the Company, the Board of Directors (on the recommendation of Nomination and Remuneration Committee and Audit Committee) thought fit to seek approval of shareholders to pay him remuneration beyond the limit prescribed under the said rules.

Brief profile of Related Party and disclosure pursuant to Rule 15(3) of Companies (Meetings of Board and its powers) Rules 2014 are as under:

Name of Related Party	Mr. Sudhir Arneja
Name of Director or KMP who is related	Mr. Deepak Arneja
Nature of relationship	Brother
Nature, material terms, monetary value and particulars of contract or arrangement	Remuneration to be paid maximum up to Rs. 40 Lakhs (Rupees Forty Lakhs Only) per annum
Brief Profile and information relevant or important for the members to take a decision on the proposed resolution	As above

None of the directors and Key Managerial Personnel of the Company or their respective relatives, Except Mr. Deepak Arneja, is concerned or interested in the proposed Resolution.

The Board recommends the Ordinary Resolution set forth in the notice (Agenda Item No. 7) for approval by the members.

Item No. 8:

Pursuant to provision of Section 188(1)(f) of the Companies Act, 2013, consent of the members of the Company is, inter alia, required to be accorded by the Company, where a Director or relative of a director is appointed to an office or a place of profit in the Company at a monthly remuneration exceeding Rs. 2.50 Lakhs. Therefore, the Company now seeks prior approval of the shareholders to, enhance the prescribed limit of remuneration payable to related parties holding office or place of profit in the company, as computed under applicable provisions of Companies Act, 2013 & rules made thereunder.

The Board of Directors at its meeting held on August 13, 2022 based on recommendation of Nomination and Remuneration Committee and Audit Committee, have approved the increase in remuneration of Mr. Dheeraj Juneja, GM-SCM, being son of Mr. Ravinder Mohan Juneja(Managing Director) and holding position of office or place of profit in the Company.

Mr. Dheeraj Juneja has more than 15 years of experience in holding responsible position in the Company “Mohindra Fasteners Limited” and presently holding position of General Manager-Supply Chain Management. His hard work, production and management techniques have benefited the organization significantly in various departments wherever he served.

Presently, he is drawing remuneration from the Company within the limit prescribed under the Companies (Meetings of Board and its powers) Rules 2014 i.e. ₹2.50 Lacs p.m. (₹30.00 Lacs p.a.). However, considering the increasing scale of business of the Company, the Board of Directors (on the recommendation of Nomination and Remuneration Committee and Audit Committee) thought fit to seek approval of shareholders to pay him remuneration beyond the limit prescribed under the said rules.

Brief profile of Related Party and disclosure pursuant to Rule 15(3) of Companies (Meetings of Board and its Powers) Rules 2014 are as under:

Name of Related Party	Mr. Dheeraj Juneja
Name of Director or KMP who is related	Mr. Ravinder Mohan Juneja
Nature of relationship	Son
Nature, material terms, monetary value and particulars of contract or arrangement	Remuneration to be paid maximum up to Rs. 40 Lakhs (Rupees Forty Lakhs Only) per annum
Brief Profile and information relevant or important for the members to take a decision on the proposed resolution	As above

None of the directors and Key Managerial Personnel of the Company or their respective relatives, Except Mr. Ravinder Mohan Juneja, is concerned or interested in the proposed Resolution.

The Board recommends the Ordinary Resolution set forth in the notice (Agenda Item No. 8) for approval by the members.

By Order of the Board

Place: New Delhi

Dated: 13.08.2022

(Deepak Arneja)

DIN: 00006112

**Chairman Cum
Managing Director & CEO**

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RELEVANT DETAILS FOR ITEM NO. 3 & 6

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):

Brief Resume and other details for ITEM No. 3

Name of the Directors	Ravinder Mohan Juneja
Date of Birth and Age	30th March, 1950, 72 Years
DIN	00006496
Qualification	Under Graduate
Experience and expertise in specific functional areas	He has more than 27 years of experience in holding responsible positions including directorship in the Company "Mohindra Fasteners Limited" and presently holding position of Managing Director and has a more than 39 years of rich Experience in Manufacturing of fasteners.
Terms & Conditions of appointment	Managing Director, liable to retire by rotation
Details of remuneration last drawn (2021-22)	All details given in corporate governance report
Date of first appointment on the Board	10th January, 1995 (Since Incorporation)
Inter-se relationships between-Director; Managers; Key Managerial Personnel.	None
Shareholding in the company	555885 (9.43%)
Number of Meetings of the Board attended during the last financial year	All details given in corporate governance report
List of companies in which Directorship held as on 31.03.2022	PUBLIC COMPANIES: Mohindra Fasteners Limited PRIVATE COMPANIES: Nil
List of Committees in which he is a Chairman/Member of the Committees of the Board of the companies as on date of notice	Chairman: Nil Member: 1. Stakeholders Relationship Committee 2. Corporate Social Responsibility
Chairperson/Membership of the Statutory Committee(s) of Board of Directors of other companies in which he is a director.	Nil

Brief Resume and other details for ITEM No. 6

Name of the Directors	Ranbir Singh Narang
Date of Birth and Age	31/07/1949, 73 Years
DIN	00250927
Qualification	Graduate

Experience and expertise in specific functional areas	Having a rich experience in the Business of Transportation. He holds Managerial positions and directorships in many Unlisted public and private Companies. His experience, leadership quality and business acumen would be beneficial to the Company whatever capacity he serves.			
Terms & Conditions of appointment	Non-Executive-Non-Independent Director, liable to retire by rotation			
Details of remuneration last drawn (2021-22)	Not Applicable			
Date of first appointment on the Board	13 th August, 2022			
Inter-se relationships between-Director; Managers; Key Managerial Personnel.	None			
Shareholding in the company	471350 (8.00%)			
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 13.08.2022.	Sr. No.	Name of the Company	CIN	Designation
	1.	Kanpur Delhi Goods Carriers Ltd.	U24102UP1952PLC002457	Managing Director
	2.	Kanpur Delhi Transport Pvt. Ltd.	U34101UP1959PTC002747	Whole time Director
	3.	Harjas Impex Pvt. Ltd.	U51909DL2005PTC132852	Director
	4.	R J Software Pvt. Ltd.	U72200DL2005PTC133815	Director
	5.	Lumbini Infotech Pvt. Ltd.	U72200DL2008PTC180052	Director
	6.	Mohindra Advisory Limited	U27100DL2007PLC164928	Director
	7.	Nikunj Netweb Solutions Pvt. Ltd.	U74899DL2003PTC123729	Director
	8.	Nipman Impex Pvt. Ltd	U00000DL2001PTC109983	Director
	9.	Datar Reality and Hospitality Pvt. Ltd	U70200DL2013PTC249278	Director
	10.	J P Fashion Wear Private Limited	U18101DL2005PTC133838	Director
List of Committees in which he is a Chairman/Member of the Committees of the Board of the companies as on date of notice	Chairman: Nil Member: Nil			
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: 13.08.2022

(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 28th (Twenty Eight) Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended March 31, 2022.

FINANCIAL RESULTS

The highlights of the Financial Results are as under:

(₹ in Lacs)

PARTICULARS	Standalone	
	Year ended 2021-22	Year ended 2020-21
Revenue From Operations	13680.67	10601.63
Other Income	281.19	236.91
Total Income/Revenue	13961.86	10838.54
Total Expenses	12279.72	9458.01
Profit before Interest, Depreciation & Tax	1995.44	1764.18
Less:		
Finance Charges	74.60	64.37
Depreciation and Amortization expenses	238.70	319.28
Profit/(Loss) for the Year before exceptional items & share of loss of investment accounted for using equity method and Tax	1682.14	1380.53
Add/(Less): Exceptional Items	Nil	Nil
Profit before Tax	1682.14	1380.53
Add/(Less): Provision for Income Tax(Current Tax)	(447.30)	(378.43)
Add/(Less): Deferred Tax (Assets) / Liability	9.86	35.96
Net Profit/(Loss) for the Year after Tax	1244.70	1038.06
Other comprehensive income:		
Less: Items that will not be reclassified to Profit & Loss	18.61	12.46
Total comprehensive income for the year	1226.09	1025.60
Equity Shares	5892461	5356800
Earnings per share (EPS):		
Basic	23.00	19.38
Diluted	23.00	19.38

Notes: The above figures are extracted from the standalone 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 (STANDALONE)

The financial statements have been prepared as per the IND-AS prescribed by the Institute of Chartered Accountants of India (ICAI).

During the financial year 2021-22; your company has earned revenue from operations Rs. 13680.67 Lakhs (Previous year Rs. 10601.63 Lakhs) and net profit of the company was Rs. 1682.14 Lakhs (Previous year Rs. 1380.53 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 23% of the sales revenue and Exports which constitute about 77% 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 7% at Rs. 2999.25 lakhs as against Rs. 3216.15 lakhs in the previous year.

Exports have always remained backbone of the Company and the results have been tremendously encouraging this year also, despite the fall in sales in the first quarter, owing to the Coronavirus pandemic. Our export sales for the year ended March 31, 2022 was higher at Rs. 10219.61 lakhs as against Rs. 7385.48 lakhs in the previous year 2021(a growth of over 38%). This is the first time when a segment sale(exports in this case), crossed the mark of Rs. 100 Crores. 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.

During the last two years, nations and economies across the world suffered unprecedented losses and challenges due to the Covid-19 pandemic. People have endured two years of missed opportunities, missed education, missed connections with family and loved ones. With availability of vaccines, there has been rapid efforts by Governments to vaccinate majority of its populations; and even booster doses have been administered which helped contain the subsequent waves of spread of the virus and avoid serious illness or casualties.

We have also faced the challenges and witnessed the tough time through the 2nd wave and the delta/omicron variant dominated 3rd wave this financial year. Despite these challenges, 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.

Despite the pandemic, the Company's green field project at IMT Rohtak, Haryana, has been progressing well. The construction activities have completed and we plan to undertake the trial runs in September 2022. The business operations & activities in the new Plant III, which also entail shifting of the machines from other plants which would tentatively start by October of this year.

MOHINDRA FASTENERS LIMITED

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.

The Management looks the future with optimism and hopes to do better in times to come.

4. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of your Company prepared in accordance with the provisions of the Companies Act, 2013, Listing (Obligations and Disclosure Requirement) Regulations 2015 and applicable Accounting Standards issued by the Institute of Chartered Accountants of India form part of this Annual Report.

In accordance with the third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements have been placed on the website of the Company, http://mohindra.asia/mfl/annual_report.html.

5. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

During the year, there are no Subsidiary(s) of the Company.

JOINT VENTURE AND ASSOCIATE COMPANIES

As on the date, the Company has one Joint Venture named:

KK Mohindra Fastenings Pvt. Ltd.: This Company has been formed in November, 2021 on a Joint Venture arrangement basis with a Germany based Company named Keller & Kalmbach Holding GmbH & Co. KG. (KK) on 51:49 basis, for the purpose of (a) to do the business of Trading of Fasteners or any other similar products; (b) operate as a distributor Company in India; and (c) act as a hub & spoke model to route shipments from suppliers to KK.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements of the Joint Venture Company named KK Mohindra Fastenings Private Limited by way of Form AOC-1 is attached to the Accounts as an **Annexure-I to the Directors' Report**

6. DIVIDEND

The Board had earlier during the year, declared and paid a final dividend of Rs. 3.00 per share (30%) for the FY 2020-21 absorbing a sum of Rs. 160.70 Lakhs and the same was paid to the shareholders on September 27, 2021 after deduction of tax at source (TDS) as per applicable rates. Out of total dividend declared in the AGM held on September 23, 2021, Rs. 2.59 Lakhs remained unclaimed as on March 31, 2022.

The Board has declared an interim dividend at a price of Rs. 4.00 per share (40%) for the FY 2021-22 absorbing a sum of Rs. 235.70 Lakhs and the same was paid to the shareholders on June 18, 2022. Out of total interim dividend declared in the Board Meeting May 30, 2022, Rs. 4.46 Lakhs remained unclaimed as on July 15, 2022.

No final dividend has been recommended by the Board of the Directors for the FY 2021-22 and the interim dividend already declared and paid to be considered as final dividend for the financial year 2021-22.

7. RESERVES

No amount is proposed to be transferred to General Reserve out of the net profits of the Company for the financial year 2021-22. 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 it is not mandatory.

8. 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 ISO 45001:2018. In addition, our in-house heat Treatment facilities confirm to CQI 9 Certification.

The metallurgical Laboratory of the company was certified as per ISO 17025:2017 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.

9. 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.

10. 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.

11. CHANGE OF NAME

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

12. PRESENT SHARE CAPITAL

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 ISSUE OF SHARES ON RIGHTS BASIS

During the year under review, the Company had issued and allotted 535,661 fully paid-up equity shares of Rs. 10/- each of the Company on rights basis, in the ratio of 1 equity share for every 10 equity shares held, to eligible equity shareholders of the Company on the Record Date i.e. 06th January, 2022, at an issue price of Rs. 90/- per fully paid-up equity share (including a premium of Rs. 80/- per equity share). The Rights Issue opened on Monday, 24th January, 2022 and closed on Friday, 11th February, 2022. The Rights offering by your Company received a very satisfactory response, as seen by strong participation from shareholders and investors, and was fully subscribed. The Company received the approval from Stock Exchange i.e. Metropolitan Stock Exchange of India Ltd. for listing on 28th February, 2022 and trading of Rights Equity Shares on 04th March, 2022. Consequent to the allotment of shares pursuant to the Scheme and Rights Issue, the issued Equity Share Capital of the Company stands increased from Rs. 5,47,13,000 to Rs. 6,00,69,610 comprising 60,06,961 Equity Shares of the face value of Rs. 10 each and subscribed and paid-up Equity Share Capital of the Company stands increased from Rs. 5,35,68,000 to Rs. 5,89,24,610 comprising 58,92,461 Equity Shares of the face value of Rs. 10 each, fully paid-up during the year under review.

In accordance with the terms of the issue, Rs. 4,82,09,490 (Rupees Four Crores Eighty-Two Lakhs Nine Thousand Four hundred & Ninety Only) received as net proceeds from the rights issue including a premium amount of Rs. 4,28,52,880 (Rupees Four Crores Twenty Eight Lakhs Fifty Two Thousand Eight Hundred & Eighty only).

There were no issue of equity shares with differential voting rights or sweat equity shares during the year 2021-22. The Company does not have any scheme to fund its employees to purchase the shares of the Company. Further, no shares have been issued to employees of the Company during the year.

13. 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.

Resignation:

Mr. Gagandeep Singh Narang Non-Executive Director of your Company resigned due to other pre-occupations with effect from 01/08/2022. The Board placed on record the contribution and support rendered by him during his association as Director and expressed sense of appreciation and gratitude for the same.

Key Managerial Personnel (KMP):

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

Director:

Mr. Ranbir Singh Narang has been appointed by the Board of directors as an additional director (non-executive & non-independent director) of the Company w.e.f.13.08.2022 to hold the office up to the date of the ensuing AGM. Further, the Board recommends his appointment as non-executive and non-independent director of the Company to the shareholders. The resolution seeking member's approval for his appointment forms part of this 28th AGM notice.

Retire By Rotation:

Pursuant to Section 152 of the Companies Act, 2013 and other applicable provisions and the Articles of Association of the Company, Mr. Ravinder Mohan Juneja (DIN: 00006496) is liable to retire by rotation at the 28th 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 this 28th AGM notice.

The requisite particulars in respect of Directors seeking appointment & re-appointment are given in Notice convening the 28th Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has obtained a Certificate from Mr. Anand Kumar Singh, Company Secretary in Practice certifying 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.

14. 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, 2022 is available on the Company's website www.mohindra.asia.

15. PARTICULARS OF EMPLOYEES

The statement in terms of Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed vide **Annexure-II to the Directors' Report**.

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

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

16. BOARD AND COMMITTEE MEETINGS

The Board met (7) seven times during the financial year 2021-22, 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.

17. **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 a director and other related matters provided in Section 178(3) of the Companies Act, 2013 are provided in the Annual Report Disclosures under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Policy is available on the Company's website at www.mohindra.asia.

18. **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTOR(S)**

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

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 databank maintained by The Indian Institute of Corporate Affairs at Manesar ('IICA').

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

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

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

The detail of such familiarization programme can be accessed on the Company's website at http://mohindra.asia/mfl/shareholder_corner.html.

20. **BOARD EVALUATION**

In terms of 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 Independent Directors, in their separate meeting held on March 31, 2022 evaluated the performance of the Board, the Chairman and the Non-Independent Directors. The result of the evaluation is satisfactory and sufficient and meets the requirements of the Company.

Further, the performance evaluation of the Independent Directors by Executive Directors was completed for the financial year 2021-22. The Board of Directors expressed their satisfaction with the evaluation process.

21. COMMITTEES OF THE BOARD

As on March 31, 2022, 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.

22. AUDITORS

Statutory Auditors

M/s. B. L. Khandelwal & Co., (Firm Registration No.: 000998N), Chartered Accountants, New Delhi, were appointed as Statutory Auditors of the Company at the Twenty Third Annual General Meeting (AGM) of the Company for a consecutive period of five years commencing from the conclusion of the 23rd AGM (i.e., held on September 23, 2017), till the conclusion of this 28th Annual General Meeting.

The Board of Directors have recommended the re-appointment of M/s. B. L. Khandelwal & Co., (Firm Registration No.: 000998N), Chartered Accountants, New Delhi, as the statutory auditors of the Company, for the second term of five consecutive years, i.e. till the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2027. The Company has received consent from M/s. B. L. Khandelwal & Co., Chartered Accountants, New Delhi to serve as statutory auditors of the Company, if they are so appointed. They have also furnished necessary certificate required under the Companies Act, 2013 conveying their eligibility for appointment.

Statutory Auditors' Report

The report given by the Auditors on the financial statement for the FY 2021-22 of the company is part of this Report. There has been no qualification, reservation or adverse remark or disclaimer given by the Auditors in their report.

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

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

Secretarial Auditors

In terms of Section 204 of the Companies Act, 2013 & rules made there under and on the recommendation of the Audit Committee, the Board has re-appointed M/s Anand Nimesh & Associates, Practicing Company Secretaries, 183B, Second Floor, Gurudwara Road, West Guru Angad Nagar, Laxmi Nagar, New Delhi-110092, as a Secretarial Auditor of the Company for FY 2022- 23 at the board meeting held on May 30, 2022.

Secretarial Auditors' Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s Anand Nimesh & Associates, Company Secretaries, Delhi as the Secretarial Auditor of the Company for the financial year 2021-2022. Secretarial Audit Report issued by Mr. Anand Kumar Singh, Practicing Company Secretary (CP No. 9404), Partner at M/s. Anand Nimesh & Associates, Company Secretaries, Delhi in Form MR-3 is enclosed in **Annexure-IV to the Directors' Report**.

There has been no qualification, reservation or adverse remark or disclaimer in their Report for the financial year 2021-22. 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 2022- 23 at the board meeting held on May 30, 2022.

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 at the ensuing AGM, have 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 ending March 31, 2023. 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 ratification of 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 2021-22 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.

23. 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.

24. 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 2021-22, no individual was denied access to the Audit Committee for reporting concerns, if any.

25. 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.

26. 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.

27. No Company has become or ceased to be its subsidiary company during the year.

28. 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 organization 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 2021-22.

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.

29. 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).

30. 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-V to the Directors' Report** as required, although it's not applicable.

Details of the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to note no. 45 to the standalone 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 2021-22 (on consolidated basis) are available on http://mohindra.asia/mfl/shareholder_corner.html.

The Policy on Related party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except remuneration and sitting fees.

31. 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 2021-22, 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.

32. 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 for the year ended March 31, 2022, 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, 2022;
- 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.

33. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

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

Your company treats its "human resources" as one of the most important assets. The Management of the Company lays continuous focus on human resources, who are trained and updated on various issues from time to time to attain the required standards. The correct recruitment practices are in place to attract the best technical manpower to ensure that the Company maintains its competitive position with respect to execution. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis.

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 to 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 2021-22, the numbers of permanent employees on the pay rolls of the company were **328** as on 31st March, 2022.

35. SAFTY, HEALTH AND ENVIRONMENT MEASURES

The safety of all employees and associates has always been an area of priority for our Company. The vaccination drive conducted early helped to control the spread of covid among our employees. Safety audits are regularly carried out and systems have been strengthened wherever possible. During the year, no employee of the Company has met with a fatal accident.

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 work places, 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.

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 & ISO 45001:2018.

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.

36. **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 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-VII to the Directors’ Report**.

37. **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**.

38. **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-VIII to the Directors’ Report**.

39. **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.

40. **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.

MOHINDRA FASTENERS LIMITED

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 03.08.2022 communicated individually, to the concerned shareholders whose shares are liable to be transferred to the IEPF Authority during the financial year 2022-23 related to financial year 2014-15 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 2013-14 or before had remained unpaid or unclaimed for a period of seven consecutive years or more i.e. an amount of Rs. **77,580** (Rupees Seventy-Seven Thousand Five Hundred and eighty Only) of unpaid/unclaimed dividends and **2000 shares** were transferred during the financial year 2021-22 to the Investor Education and Protection Fund (“IEPF”) related to financial year 2013-14, in order to compliance with the provisions of the Rules.

The full details of such shareholders whose 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. 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.

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.

41. 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.

42. 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 2022-23 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

Your Director's take this opportunity to express their deep and sincere gratitude to the customers and investors for their confidence and patronage, as well as to the vendors, bankers, financial institutions, and business associates, regulatory and governmental authorities for their co-operation, support and guidance. Your Directors would like to express a deep sense of appreciation for the support extended by the Company's unions and commitment shown by the employees in its continued robust performance on all fronts.

For and on behalf of the Board

Place: New Delhi

Date: 13.08.2022

(Deepak Arneja)

DIN: 00006112

Chairman cum

Managing Director & CEO

Annexure-I to Board's Report

Form AOC-1

(Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)

The Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "B": Associates and Joint Ventures

(₹ In Lakhs)

Sr. No.	Name of Associate/Joint Venture	KK MOHINDRA FASTENINGS PVT. LTD.
1.	Latest Audited Balance Sheet date	31 st March, 2022
2.	Date on which the Associate or Joint Venture was associated or acquired	24.11.2021
3.	Shares of Associate/ Joint Venture held by the Company on the year end:	
	Number	49000 equity shares of the Face Value of Rs. 10/- each
	Amount of Investment in Associates/Joint Venture	4.90
	Extend of Holding %	49
4.	Description of how there is a significant influence	JOINT VENTURE
5.	The reason why the associate/joint venture is not consolidated	N.A.
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	94.68*
7.	Profit/ (Loss) for the year:	
	Considered in Consolidation	(8.22)
	Not Considered in Consolidation	(8.55)

*Amount of share application money including pending allotment of Rs. 98.00 lacs as on 31.03.2022 against which the shares have been allotted to the Company on 16.05.2022.

- Names of associates or joint ventures which are yet to commence operations:
KK Mohindra Fastenings Pvt. Ltd.
- Names of associates or joint ventures which have been liquidated or sold during the year: NIL.

Note: This form is to be certified in the same manner in which the Balance sheet is to be certified.

For & on Behalf of the Board of Directors of Mohindra Fasteners Limited

Deepak Arneja
(Managing Director & CEO)
DIN: 00006112

Ravinder Mohan Juneja
(Managing Director)
DIN: 00006496

Place: New Delhi
Date: 30/05/2022

Sunil Mishra
(Chief Financial Officer)

Nidhi Pathak
(Company Secretary)
(M.No. 31973)

Annexure-II to Board's Report

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 2021-22 are as follows:

Name of Director/KMP	Designation	Ratio of remuneration of each director/to median remuneration of employees	%Increase in remuneration in the financial year 2021-2022
Mr. Ravinder Mohan Juneja	Managing Director	14.72	15.34
Mr. Deepak Arneja	Managing Director & CEO	14.72	15.34
Mr. Gagandeep Singh Narang	Non- Executive Director	*1.75	----
Mr. Vinod Kumar	Non-executive Independent Director	*2.45	----
Mr. Ved Prakash Chaudhry	Non-executive Independent Director	*2.10	----
Mrs. Shamoli Thakur	Non-executive Independent Director	*0.70	----
Mr. Sunil Mishra	Chief Financial Officer	N.A.	12.33
Ms. Nidhi Pathak	Company Secretary	N.A.	13.23

Note: Except Key Managerial Personnel i.e. Managing Director cum CEO, Managing Director, Chief Financial Officer & Company Secretary, no other directors on the Board received any remuneration from the Company other than sitting fees for attending the meetings of the Board of Directors during the FY 2021-22.

***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 paid to them during the FY 2021-22 and percentage increase in remuneration of each Director other than key Managerial personnel is not provided.**

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- (ii) The median remuneration of employees of the Company during the financial year 2021-22 was Rs. 28,600 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 9.12% in the median remuneration of Employees.
- (iv) There were 328 Permanent Employees on the rolls of Company as on 31st March, 2022.
- (v) Average percentile increases 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. 2021-22 was 14% whereas the increase in the managerial remuneration for the same financial year was 14.54%. 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.
- (vi) 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.
- (vii) During the financial year 2021-22, 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 2021-22, 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 2021-22 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 2021-22 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 2021-22, 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)	2,55,000	Pay Roll	B.COM, LLB 36 years of Experience	11/1/1996 extended w.e.f. 01/12/2021 60 years	-	550	-
2.	Mr. Anurag Arneja (Director-Operations)	2,41,000	Pay Roll	Graduate in Arts 31 years of Experience	4/1/2014 55 years	MSPL, Delhi	638310	-

3.	Mr. Dheeraj Juneja (G.M. (Supply Chain Management))	2,29,500	Pay Roll	Senior Secondary 19 years of Experience	10/1/2000 40 years	RR Metal Finishers	172810	Son of Mr. Ravinder Mohan Juneja (Managing Director)
4.	Mr. Prateek Arneja (G.M (Sales And Marketing))	2,25,500	Pay Roll	MBA in Marketing 18 years of Experience	11/1/2005 40 years	SKOL Breweries Limited	29370	-
5.	Mr. Sudhir Arneja (Director-Operation)	2,20,000	Pay Roll	B.com & M.A. 44 years of Experience	4/1/1999 67 years	MSPL, Delhi	431640	Brother of Mr. Deepak Arneja (Managing Director & CEO)
6.	Mr. Sanjiv Kumar Sharma (Unit Head)	2,00,000	Retainership	Mechanical Engineering & Diploma in Production Management 43 years of Experience	11/12/2021 66 years	Shilpa Steel & Power Limited	-	-
7.	Mr. Robins T. Perumpanany A.G.M. (Production)	2,00,000	Pay Roll	3 years Diploma in Tools & die 36 years of experience	09/11/2017 56 years Resigned w.e.f 29/10/2021	UPS Ltd., Rohtak	-	-
8.	Mr. R. Srinivasan (D G M - SURFACE FINISH)	1,40,000	Retainership	B.SC. 43 years of Experience	08/01/2017 65 Years	Caparo Fasteners Bhiwadi	100	-
9.	Mr. Ajay Kumar Mishra (SR. MANAGER- H.T & METALLURGY)	1,20,000	Pay Roll	B.SC. Chemistry Hon. 29 years of Experience	08/02/2021 49 Years	Bajaj Motors Limited	-	-
10.	Mr. Mahabir Kumar (MANAGER- PRODUCTION)	1,20,000	Pay Roll	Diploma & B. Tech in Mechanical Engineering 24.5 years of Experience	07/30/2021 44 Years	Dynamic Precision Tools & SPM, Rohtak	-	-

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 2021-22 for easy and fair calculations.

For and on behalf of the Board

Place: New Delhi

Date: 13.08.2022

(Deepak Arneja)

DIN: 00006112

Chairman cum Managing Director & CEO

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

DECLARATION OF INDEPENDENCE

*(Pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 read with Regulation 16(b) of SEBI
(Listing Obligations and Disclosures Requirements), Regulations, 2015)*

To

Date: 28/05/2022

The Board of Directors

Mohindra Fasteners Limited

304, Gupta Arcade, Inder Enclave,

Delhi-Rohtak Road,

New Delhi-110087

Dear Sir/Madam,

Pursuant to sub-section (7) of Section 149 of Companies Act, 2013 ('Act'), I, Vinod Kumar, hereby certify that I am a Non-executive Independent Director of Mohindra Fasteners Limited and declare that I meet the criteria of independence in accordance with sub-section (6) of Section 149 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as stated below:

- 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) I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the Company, its holding, subsidiary or associate Company;
- iv) Apart from receiving director sitting fees, I have/had no pecuniary relationship /transactions with the Company, its promoters, its directors, its senior management or its holding, subsidiary or associate Company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial;
- v) none of my relatives-
 - a) are holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of Rs. 50 Lakhs or 2% of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
 - b) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount in excess of Rs. 50 Lakhs or 2% of its gross turnover during the three immediately preceding financial years or during the current financial year;
 - c) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount in excess of Rs. 50 Lakhs or 2% of its gross turnover as may be specified during the three immediately preceding financial years or during the current financial year;
 - d) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income;
- (vi) Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity in any of the three financial years immediately preceding the financial year;

- b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the Company; or
 - d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company; or
 - e) 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)
Independent Director
DIN: 02303504
R/o. 11096, Doriwalan East Park Road,
Karol Bagh, New Delhi-110005**

DECLARATION OF INDEPENDENCE

(Pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 read with Regulation 16(b) of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015)

To

Date: 23/05/2022

The Board of Directors

Mohindra Fasteners Limited

304, Gupta Arcade, Inder Enclave,

Delhi-Rohtak Road,

New Delhi-110087

Dear Sir/Madam,

Pursuant to sub-section (7) of Section 149 of Companies Act, 2013 ('Act'), I, Shamoli Thakur, hereby certify that I am a Non-executive Independent Director of Mohindra Fasteners Limited and declare that I meet the criteria of independence in accordance with sub-section (6) of Section 149 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as stated below:

- 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) I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the Company, its holding, subsidiary or associate Company;
- iv) Apart from receiving director sitting fees, I have/had no pecuniary relationship /transactions with the Company, its promoters, its directors, its senior management or its holding, subsidiary or associate Company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial;
- v) none of my relatives-
 - a) are holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of Rs. 50 Lakhs or 2% of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
 - b) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount in excess of Rs. 50 Lakhs or 2% of its gross turnover during the three immediately preceding financial years or during the current financial year;
 - c) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount in excess of Rs. 50 Lakhs or 2% of its gross turnover as may be specified during the three immediately preceding financial years or during the current financial year;
 - d) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income;
- (vi) Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;

- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- c) holds together with my relatives 2% or more of the total voting power of the Company; or
- d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company; or
- e) 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)
Independent Director
DIN: 08189763
House No. 62, Sector 17A,
Gurgaon- 122001, Haryana

MOHINDRA FASTENERS LIMITED

DECLARATION OF INDEPENDENCE

(Pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 read with Regulation 16(b) of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015)

To,

Date: 20/05/2022

The Board of Directors
Mohindra Fasteners Limited
304, Gupta Arcade, Inder Enclave,
Delhi-Rohtak Road,
New Delhi-110087

Dear Sir/Madam,

Pursuant to sub-section (7) of Section 149 of Companies Act, 2013 ('Act'), I, Ved Prakash Chaudhry, hereby certify that I am a Non-executive Independent Director of Mohindra Fasteners Limited and declare that I meet the criteria of independence in accordance with sub-section (6) of Section 149 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as stated below:

- 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) I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the Company, its holding, subsidiary or associate Company;
- iv) Apart from receiving director sitting fees, I have/had no pecuniary relationship /transactions with the Company, its promoters, its directors, its senior management or its holding, subsidiary or associate Company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial;
- v) none of my relatives-
 - a) are holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of Rs. 50 Lakhs or 2% of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
 - b) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount in excess of Rs. 50 Lakhs or 2% of its gross turnover during the three immediately preceding financial years or during the current financial year;
 - c) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount in excess of Rs. 50 Lakhs or 2% of its gross turnover as may be specified during the three immediately preceding financial years or during the current financial year;
 - d) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income;
- (vi) Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;

- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- c) holds together with my relatives 2% or more of the total voting power of the Company; or
- d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company; or
- e) 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)

Independent Director

DIN: 07572208

R/o. B-3, Poojari Apartment,

Shiv Vihar, Paschim Vihar,

New Delhi- 110087

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

**FORM MR-3 SECRETARIAL AUDIT REPORT
(For the financial year ended 31st March, 2022)**

[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, 2022, (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, 2022 (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 (up-to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 (with effect from 13th August, 2021);

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up-to 15th August, 2021) and The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (with effect from 16th August, 2021);
- 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 (up to 09th June, 2021) & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- 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 (up-to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 (with effect from 13th August, 2021);
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up-to 15th August, 2021) and The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (with effect from 16th August, 2021);
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 09th June, 2021) & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021); 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, 2022 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.

MOHINDRA FASTENERS LIMITED

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 issued and allotted 5,35,661 (Five Lacs Thirty-Five Thousand Six Hundred Sixty-One) equity shares to the existing shareholders of the Company on rights basis in the ratio of 1:10 during the period under review.
2. Listing approval for 5,35,661 (Five Lacs Thirty-Five Thousand Six Hundred Sixty-One) equity shares has been given by the Metropolitan Stock Exchange of India Limited (MSEI) on 28/02/2022 on issue of 5,35,661 (Five Lacs Thirty-Five Thousand Six Hundred Sixty-One) equity shares on right basis to existing shareholders. Further the trading approval was granted by Metropolitan Stock Exchange of India Limited (MSEI) on March, 03, 2022 during the period under review
3. 27th (Twenty Seventh) Annual General Meeting of the Members of the company was held through Video Conferencing(VC) / Other Audio Visual Means (OAVM), on Thursday, the 23rd September, 2021 at 11.30 AM during the financial year under review.
4. Mr. Ved Prakash Chaudhary was re-appointed as a Non-Executive Independent Director of the company for further period of five years with from September 30, 2022 to September 29, 2026 during the period under review
5. The Company has entered into joint venture agreement with KELLER & KALMBACH HOLDING GMBH & CO. KG, a company incorporated under the Laws of the Federal Republic of Germany by incorporating a Private Limited Company (Joint Venture Company) in India as Private Limited Company with name and style as "KK MOHINDRA FASTENINGS PRIVATE LIMITED" during the period under review.
6. The Company has made investments in above mentioned joint venture company of Rs. 4,90,000/- (Rupees Four Lacs Ninety Thousand only) towards 49% of equity participation in the subscribed share capital of the company.
7. The company has prepared Consolidated Financial statement along with Standalone Financial Statement for the financial year ended 31st March, 2022 as the company has joint venture Company named as KK Mohindra Fastenings Private Limited as on 31st March, 2022 having investment of Rs. 4,90,000/- (Rupees Four Lakhs Ninety Thousand only) towards 49% of equity participation in the subscribed share capital of the company. Further Rs. 98,00,000 (Rupees Ninety Eight Lacs Only) has been lying in share application money (pending allotment) as on 31st March 2022 during the period under Review.

For Anand Nimesh & Associates
(Company Secretaries)

ANAND KUMAR SINGH
(Partner)
M. No-F10812
COP-9404
UDIN- F010812D000598113
Date: 11/07/2022
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.

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

**ANAND KUMAR SINGH
(Partner)
M. No-F10812
COP-9404
UDIN- F010812D000598113**

Date: 11/07/2022

Place: Delhi

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

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis: Mohindra Fasteners Limited has not entered into any contract/arrangement/transaction with its related parties which are not at arm's length basis during the year 2021-22.
2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advance, if any
1.	Mr. Dheeraj Juneja (Son of Mr. Ravinder Mohan Juneja, Managing Director)	Office or Place of Profit (Remuneration)	N.A.	30 Lakhs P.A.	N.A.	N.A
2.	Mr. Sudhir Arneja (Brother of Mr. Deepak Arneja, Managing Director & CEO)	Office or Place of Profit (Remuneration)	N.A.	30 Lakhs P.A.	N.A.	N.A
3.	KK MOHINDRA FASTENINGS PVT. LTD. (JOINT VENTURE)	Leasing of property on rent	N.A.	AS PER THE AGREEMENT	N.A.	N.A.

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

By order of the Board

Place: New Delhi
Date: 13.08.2022

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

ANNEXURE-VI 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:

The 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 optimization 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.
- Installation of LED Lights in the Slop floor & street lights at Pant III, Rohtak.
- Installed DG sets in the Company.
- Starting baby steps to adopt sustainable energy options.

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

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

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

- Use of Air Pneumatic Tools over Electric Tools.
- Replacement of tube lights/lamps and put emphasis on installation of lower voltage energy efficiency lamps and use of CFL lamps & LED lights in phases.
- Introduction of waste heat recovery system in furnace.
- Replacing old 2/3-star Air Conditioners with 5 Star and setting the room Air Conditioners at a temperature of 24° C or more.

MOHINDRA FASTENERS LIMITED

- Installation of power efficient centralized air conditioning in the Registered Office of the Company at New Delhi.
- 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.

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

- (i) Saving cost of fuel.
- (ii) Reduction in Power Consumption.
- (iii) Efficient use of natural resources.
- (iv) Reduction in Manufacturing Cost.
- (v) Significant reduction in Carbon Emission.
- (vi) Hedge against continuous energy rate increase.
- (vii) 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 FY 2021-22 was 8.88 in comparison to 8.50 in previous year.
- The rate per liter for fuel consumption for FY 2021-22 was 88.24 in comparison to 69.54 in previous year.
- The rate per kilogram for gas consumption for FY 2021-22 was 72.59 in comparison to 48.14 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
 - ISO 45001:2018
 - 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.

MOHINDRA FASTENERS LIMITED

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

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

The total foreign exchange earned and used are as under:

(Rs. in Lacs)

Foreign exchange earnings	10075.25
Foreign exchange expenditure	829.08

By order of the Board

Place: New Delhi

Date: 13.08.2022

(Deepak Arneja)

DIN: 00006112

Chairman cum

Managing Director & CEO

ANNEXURE-VII TO THE DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY(CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

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.

Your Company believes that being socially responsible, delivering profitable growth and meeting expectations of our stakeholders is fundamental to value system the Company beholds. Further to its corporate social responsibility policy, the Company has been constantly creating newer opportunities for the community in which it operates by leveraging its resources.

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 2021-22 were implemented through "Sansthanam Abhay Daanam" a registered trust (Non-Profit Organization) registered under Indian Trust Act, 1882 and having office at 26, Second Floor, Shakti Khand-3, Indirapuram, Ghaziabad-201014, UP.

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 working for Educating people who are needy and is currently 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

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accessed at 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. 1262.50 lakhs.
7. (a) Two percent of average net profit of the Company as per Section 135 (5): Rs. 25.25 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. 25.25 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
25.25	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 (Rs. In Lakhs)	Amount spent in the current financial year (Rs. In Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. In Lakhs)	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.	
				State	District			Name	CSR Registration No.
1.	Construction of Bird Hospital and extension of facilities at existing bird Hospitals	Animal Welfare	Yes	Uttar Pradesh and Maharashtra		Rs. 25,25,000 (Rupees Twenty-Five Lakhs and Twenty-Five Thousand Only)	No	SANSTHANAM ABHAY DAANAM	CSR00001492

- (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. 25.25 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.
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: 13.08.2022

(Deepak Arneja)

DIN: 00006112

Chairman cum

Managing Director & CEO

**ANNEXURE-VIII
TO THE DIRECTOR'S REPORT**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Mohindra Fasteners Limited is pleased to present the 'Management Discussion & Analysis Report' covering the performance for the financial year 2021–2022.

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 (standalone & consolidated) 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

Since the lifting of restrictions imposed by the Government, post lockdown; the Indian economy has surpassed the GDP estimates against the previous year. It further reaffirms the completion of the recovery as early as at the end of the third quarter itself, with real GDP in the first nine months of the current year nudging the previous corresponding output levels.

The Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman states that the year ahead is well poised for a pick-up in private sector investment with the financial system in a good position to provide support to the revival of economy. The growth projection for 2022-23 is based on the assumption that there will be no further debilitating pandemic related economic disruption, monsoon will be normal, withdrawal of global liquidity by major central banks will be broadly orderly, oil prices will be in the range of US\$70-\$75/bbl, and global supply chain disruptions will steadily ease over the course of the year.

The geopolitical tensions involving Russia and Ukraine triggered a massive turbulence in the global economy. Within days, international prices of crude oil and other commodities shot up escalating the cost of India's import basket. Yet India has braced well to meet the impact of rising commodity prices. Foreign exchange reserves continue to be at a record high and are large enough to finance more than 12 months of imports. Foreign investors have largely stayed invested in the economy as the exchange rate depreciates on a flatter trajectory shaped by exceptional growth of exports.

India is set to witness GDP growth rates of 8.0-8.5 per cent in 2022-23, supported by widespread vaccine coverage, gains from supply-side reforms and easing of regulations, robust export growth, and availability of fiscal space to ramp up capital spending.

After two years of sluggishness, India's automobile sector also posted double-digit growth, supported by improving economic growth and personal income; although this was on a lower base during the COVID years. Consumption data such as FMCG and auto sales and Goods and Services Tax Act (GST) collections indicated demand recovery. During the financial year 2022-23, all segments in the automotive sector are expected to grow by 10% and tractors are expected to register a high single digit growth.

The roll-out of financial subsidies under the Production-Linked Incentive (PLI) Scheme augurs well for the automotive sector and other sectors where the same has been implemented. The new rules are likely to favour the creation of large manufacturing capacities by following the global standards in the Country. The Government of India has also increased the allocation for FAME II for the year 2022-23 for provision of EV charging stations.

The continued focus on building rural and agricultural infrastructure and prioritizing agriculture credit growth will have a long-term positive impact on the rural demand for passenger, small and light commercial vehicles. The enhanced outlay for infrastructure – railways, metro rail, rural – development projects will benefit the commercial vehicle, construction equipment and tractor segment.

INDUSTRIAL STRUCTURE AND DEVELOPMENT

The past two years had been a very challenging period owing to the impact of the Coronavirus pandemic. As a result, the pandemic has made us stronger mentally, flexible in our approach and agile in our execution. With the opportunity thus provided, the Company has taken a giant leap forward and recorded the highest turnover since its inception with the support of all the stakeholders. Although the second and third waves of the Coronavirus pandemic again influenced normal life but globally things have started settling to a new normal and optimistically for better tomorrow. The visibility of Coronavirus entering endemic stages increased as the year 2021 had witnessed the stunning efforts of the governments from various countries and the speed at which Coronavirus vaccines were developed. The Coronavirus vaccines were created in less than a year. Just as important, the leading Coronavirus vaccines worked stunningly well. More than 7.4 billion vaccine doses were administered in 184 countries in the first eleven months of 2021, with seventy countries making donations. However, what remains worth noting was that the economic impact in this period was much smaller than that during the full lockdown phase in 2020-21, though the health impact was more severe.

For decades, businesses believed that outsourcing production was the key to success. The Companies that honed their supply chains saw their costs drop and profits rise. The Coronavirus exposed the downside of supply chains. When the pandemic first hit, factories closed and many companies let inventories dwindle to avoid being stuck with unsold goods. But when consumer demand surged in 2021 as vaccines became available, many companies found themselves short on parts and supplies. Shortages of shipping containers and backups at ports around the world further complicated matters. The shortage that got the most attention was in computer chips, particularly those used in gaming consoles and car production. The supply chain disruptions caused by Coronavirus have contributed a worldwide surge in inflation, could linger for years. During the fiscal year, the industry continued to face the pressure of mounting steel prices which had an effect on the margins. The trend is expected to continue in the first half of FY 2022-23.

The Government of India has introduced initiatives to support auto sector whose prime objectives include overcoming cost disabilities, creating economies of scale and building a robust supply chain in areas of Advanced Automotive Technology products. This scheme will facilitate the Automobile Industry especially and other industries, wherever applicable, to move up the value chain into higher value-added products. In addition, support by public investment; the PLI scheme is also expected to generate private capex.

The year ahead is poised for a pickup in private sector investment with the financial system in a good position to provide support for the economy's revival. Agriculture and allied sectors are expected to grow by 3.9 percent; industry by 11.8 percent and the services sector by 8.2 percent in 2021-22.

India's GDP which grew at a negative (6.6%) in FY 2020, is estimated to grow at 8.9% in FY 2022 and at 7.9% in FY 2023. The growth numbers are predicated upon broad-basing of economic activity. With nature favoring, there is a hope of another normal monsoon for the fourth year in a row. The said growth factors may however be curtailed

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due to slowing global economies and headwinds from the Russia-Ukraine war; higher commodity prices, especially crude oil.

OPPORTUNITIES

A wide range of fasteners are manufactured in the Indian market, which include exhaust bolts, 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.

In India, the public sector and the private sector industry is growing significantly with the rising activities from the defence, the civil aviation, the Railways and the Road infrastructure sectors. The 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.

With the European markets(EU) announcing ADD (Anti-Dumping duties) against imports of Fasteners and allied items from China and with the US markets developing an aversion against the Chinese goods(over and above the additional Trade Tariffs); it shall bring bumpers to the Indian manufacturers.

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.

The company's Joint venture agreement with Keller & Kalmbach, Germany to set up an inventory management company to service the industry here in India with best inventory practices shall bring renewed opportunities for the company in the Domestic market.

THREATS

- Threat due to the recent upsurge in geo-political factors like the Russia-Ukraine war which may have an adverse impact on global economic development. This might put the supply chain at a serious threat leading to a drop in volumes.
- 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, 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.

The Government of India has announced a USD 10 Bn incentive plan to attract semiconductor fabricators and display manufacturers. The Government has also approved a DLI (Design linked incentives) scheme to promote 100 local companies to design Integrated Circuits (ICs) and chips.

The continuing increase in steel prices also needs continuous monitoring as it may hamper the margins going forward and would need stringent control on other cost elements for companies to survive in this competitive environment. With the Electricity Boards not having raised their tariffs for some time, there could a case for witnessing the increase in cost of power which could have bearing on the functioning of power intensive companies like the automotive sectors.

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.

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OUTLOOK

With growing market demand, the Company continues to enhance its foray in a dynamic industry. It is consistently improving production volumes and fulfilling short as well as long-term targets.

The Company undertakes effective strategies to contribute to the industrial sector and develops robust products to enhance its current capabilities and improve contributions towards Atmanirbhar Bharat. The company is ideally positioned to capitalize on growing prospects in Indian and international markets and further strengthen its performances in the days 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.

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.

The Management looks the future with optimism and hopes to do better in times to come.

RISKS & CONCERNS

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade payables and other payables. 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 trade and other receivables, investments and cash and bank balances that it derives 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 summarized 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.

i) 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.

ii) 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.

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.

(Figures in lakhs)

Particulars	EURO	USD	GBP	CNY
Import Trade Payables	-	0.39	-	0.30
	(0.10)	(2.27)	-	-
Export Trade receivables	16.81	8.73	1.22	-
	(11.85)	(5.39)	(0.50)	-
Working Loan (PCFC)	11.65	1.73	0.34	-
	(9.55)	(2.33)	(0.87)	-
Term Loan (including interest)	-	7.28	-	-
	-	-	-	-

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, 2022, the top 10 customers accounted for approximately 58% 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)

Particulars of Trade Receivable	As at 31 st March, 2022	As at 31 st March, 2021
More than 180 days	77.92	121.72
Not More than 180 days	2991.04	2252.49
Total	3068.96	2374.21

a) **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. 8.98 Lacs (Rs. 9.24 Lacs as at 31st March, 2021).

b) **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.

c) **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.

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The company does not have any long term debt outstanding as on 31.03.2022. 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 summarizes the maturity analysis of the Company's Trade Payable, Lease Liabilities and financial liabilities except short term borrowing repayable on demand:

Year ended 31 st March, 2022	Less than one year	More than one year
Interest-bearing borrowing except short term Borrowings	120.06	236.80
Other financial liabilities	58.34	Nil
Lease Liabilities	11.73	Nil
Trade Payables	2534.16	Nil

Year ended 31 st 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

d) Other risk – Impact of COVID-19

Due to outbreak of Coronavirus (COVID-19) which had been declared as a pandemic by the World Health Organization 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 instruction's 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, 2022. 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, 2022 as compared to previous year ended March 31, 2021.

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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system commensurate with the size, scale and complexities of its operations. The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

The Company has a robust Management Information System and strives to align all its processes and controls with best practices. The Audit Committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and informs major observations to the board of directors periodically.

The Company has appointed an independent firm of chartered accountants to monitor the internal audit of its activities, based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee.

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 2021-22, 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 2021-22; your company has earned total revenue from operations was at Rs. 13,680.67 Lakhs (Previous year Rs. 10,838.54 Lakhs) and net profit of the company was Rs. 1,244.70 Lakhs (Previous year Rs. 1038.06 Lakhs).

Financial Performance:

Our Domestic sales are lower was Rs. 2999.25 Lakhs as against Rs. 3216.15 Lakhs due to drop of industry volumes. Exports have always remained our backbone of the Company, the export sales for the year ended 2022 increased by 38.37% at Rs. 10,219.61 Lakhs as compared to Rs. 7,385.49 Lakhs in the previous year, which constitutes a 77% of the total revenue of the Company.

During the year, EBITDA (Profit before interest, taxes, depreciation and amortization) was at Rs. 1920.84 Lakhs as against Rs. 1764.18 Lakhs in the previous year, an increase of 8.88%. 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.

Financing costs was slightly increased at Rs. 74.60 Lakhs as against Rs. 64.37 Lakhs in the previous year.

Profit before tax was higher at Rs. 1,682.14 Lakhs (Rs. 1,380.53 Lakhs). After providing for taxes, the Profit after Tax amounted to Rs. 1,244.70 Lakhs (Rs. 1,038.06 Lakhs).

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 31 st March, 2022	As on 31 st March, 2021
1	Debtors Turnover Ratio	*Days	72.73	65.45
2	Inventory Turnover Ratio	*Days	113.92	120.80
3	Interest Coverage Ratio	Times	23.55	22.45
4	Current Ratio	Times	1.86	1.91
5	Debt Equity Ratio	Times	0.35	0.23
6	Operating Profit Ratio	%	13.29	14.19
7	Net Profit Ratio	%	9.09	9.79
8	Return on Net worth Ratio	%	20.59	20.85

* used 360 as the number of days in the year.

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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

The Company considers employees as its vital and most valuable assets. Human Resource Development (HRD) is aligned to business needs to enhance business performance and results. Human Resources Development is practiced through an overall HRD framework with its constituents as resourcing, competency development, performance management and employee engagement. Each of these constituents has a structured approach and the process to deliver.

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 organization. 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 Company sincerely appreciates the hard work and dedication of employees despite the covid-19 pandemic and working in the factories/offices complying with all covid safety measures.

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 the continuing impact of COVID-19 pandemic, 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.

By order of the Board

Place: New Delhi

Date: 13.08.2022

(Deepak Arneja)

DIN: 00006112

Chairman cum

Managing Director & CEO

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2022 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.

MOHINDRA FASTENERS LIMITED

As on **31st March, 2022**, 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.

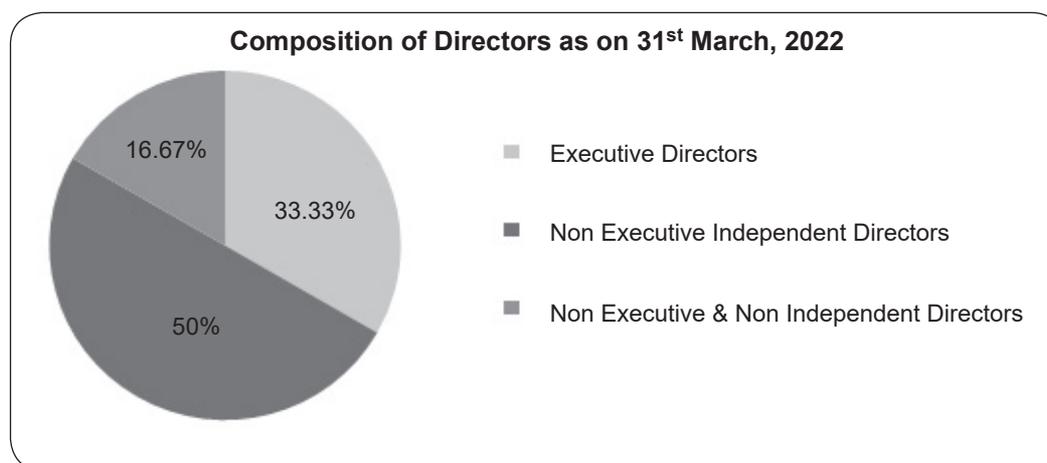
The Board is primarily responsible for overall management of the Company's business. The directors on the board are from varied fields with suffice range of skills, possess relevant qualifications and experienced general corporate management, finance, banking and other allied fields which enable them 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, 2022 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 **7 (Seven)** Board Meetings during **Financial Year 2021-22** 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.	26.06.2021	6	5
2.	14.08.2021	6	6
3.	11.10.2021	6	5
4.	13.11.2021	6	4
5.	31.12.2021	6	4
6.	14.02.2022	6	5
7.	23.02.2022	6	5

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 (627,990)	-	-	-	2	Mohindra Fasteners Limited Chairman cum Managing Director & CEO
Mr. Ravinder Mohan Juneja DIN:00006496	Managing Director	10.01.1995 (555,885)	-	-	-	1	Mohindra Fasteners Limited Managing Director
Mr. Vinod Kumar DIN:02303504	Non- Executive Independent Director	21.12.2013 (2,200)	-	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 (1,22,980)	-	1	-	-	Mohindra Fasteners Limited Non-executive Director
Mr. Ved Prakash Chaudhry DIN: 07572208	Non- Executive Independent Director	30.07.2016 (110)	-	-	-	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.

MOHINDRA FASTENERS LIMITED

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 2021– 22:

Name of Director(s)	Attendance at the Board Meetings held on							Attendance at AGM held on 23.09.2021
	26.06.21	14.08.21	11.10.21	13.11.21	31.12.21	14.02.22	23.02.22	
Mr. Deepak Arneja	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravinder Mohan Juneja	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Vinod Kumar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Shamoli Thakur	No	Yes	No	No	No	No	Yes	No
Mr. Gagandeep Singh Narang	Yes	Yes	Yes	No	Yes	Yes	No	Yes
Mr. Ved Prakash Chaudhry	Yes	Yes	Yes	Yes	No	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, 2022:

Non-Executive Directors	No. of Equity Shares of Rs. 10/- each
Mr. Gagandeep Singh Narang	122980
Mr. Vinod Kumar	2200
Mr. Ved Prakash Chaudhry	110
Mrs. Shamoli Thakur	Nil

Familiarization Programmes for Independent Directors:

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

The details of such Familiarisation Programme can be accessed on the website of the Company i.e. www.mohindra.asia.

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

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

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

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

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

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

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

COMMITTEES OF THE BOARD

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

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
Statutory Committees				
<u>AUDIT COMMITTEE</u>	The Terms of Reference / Role of Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of the SEBI Listing Regulations, 2015 as well as in Section 177 of the Companies Act, 2013 which includes, among other things, the following: <ul style="list-style-type: none"> ✓ Oversight of the listed entity's financial reporting process. ✓ Recommendation for appointment, remuneration and terms of appointment of auditors. ✓ Reviewing, with the management, the annual financial statements and auditor's report. ✓ Scrutiny of inter-corporate loans and investments. 	Name	Category	<ul style="list-style-type: none"> ✓ 4 (Four) Audit Committee meetings were held during the year as on, 26.06.2021, 14.08.2021, 13.11.2021 and 14.02.2022 and the gap between two meetings did not exceed one hundred and twenty days. ✓ During the year, in every meeting all the Committee members were present.
		Mr. Vinod Kumar (Chairman)	Non-Executive Independent Director	
		Mr. Deepak Arneja (Member)	Executive Director	
		Mr. Ved Prakash Chaudhry (Member)	Non-Executive Independent Director	

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Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance									
	<ul style="list-style-type: none"> ✓ Internal financial controls and risk management systems. ✓ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems and reviewing the adequacy of internal audit function. ✓ Management discussion and analysis of financial condition and results of operations. ✓ Reviewing the statement of significant related party transactions. ✓ Internal audit reports relating to internal control weaknesses. <p>Audit Committee review all the information, listed in Para A & B of Part C of Schedule II of the SEBI Listing Regulations and other applicable provisions, laws, rules and regulations, if any.</p>			<ul style="list-style-type: none"> ✓ Committee invites such of the executives, as it considers appropriate. The Chief Financial Officer (CFO), Mr. Sunil Mishra, is an abiding invitee of the Committee meeting. ✓ The Company Secretary acts as Secretary to the Audit Meeting. ✓ The Chairman of the Audit Committee Mr. Vinod Kumar was present at the 27th Annual General Meeting held on 23.09.2021 through Video Conference (VC') / Other Audio-Visual Means ('OAVM'). ✓ Recommendations by the Audit Committee: All the recommendations made by the Audit Committee are accepted and implemented by the Board of Directors. 									
<p><u>NOMINATION AND REMUNERATION COMMITTEE</u></p>	<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"> ✓ The criteria which a person should possess to be considered eligible for appointment as an Independent Director or senior managerial personnel. ✓ To formulate the criteria for evaluation of Independent Directors and the Board. ✓ To devise a policy on Board diversity. ✓ To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal. 	<table border="1"> <thead> <tr> <th data-bbox="833 1188 1001 1225">Name</th> <th data-bbox="1001 1188 1172 1225">Category</th> </tr> </thead> <tbody> <tr> <td data-bbox="833 1225 1001 1356">Mr. Vinod Kumar (Chairman)</td> <td data-bbox="1001 1225 1172 1356">Non-executive Independent Director</td> </tr> <tr> <td data-bbox="833 1356 1001 1524">Mr. Gagandeep Singh Narang (Member)</td> <td data-bbox="1001 1356 1172 1524">Non-Executive Non-Independent Director</td> </tr> <tr> <td data-bbox="833 1524 1001 1655">Mr. Ved Prakash Chaudhry (Member)</td> <td data-bbox="1001 1524 1172 1655">Non-Executive Independent Director</td> </tr> <tr> <td data-bbox="833 1655 1001 2004"></td> <td data-bbox="1001 1655 1172 2004"></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"> ✓ 1 (One) Committee meetings were held during the year on 14.08.2021. ✓ All directors were present in the above meeting. ✓ Details of Performance Evaluation Criteria and remuneration policy are detailed below to this table. ✓ The Chairman of the Nomination & Remuneration Committee Mr. Vinod Kumar was present at the 27TH Annual General Meeting held on 23.09.2021, through Video Conference (VC') / Other Audio Visual Means ('OAVM').
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												

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance									
	<ul style="list-style-type: none"> ✓ To decide whether to extend or continue the term of appointment of Independent Director, based on the report of performance evaluation of independent directors. ✓ Remuneration for the Key Managerial Personnel (i.e. Managing Director, Whole-time Director, Manager, CEO, CFO and Company Secretary); and ✓ To recommend to the Board, all remuneration, in whatever form, payable to senior management and other employees <p>The Nomination & Remuneration Committee review all the information, listed in Para A of Part D of Schedule II of the SEBI (LODR) Regulation, 2015, and other applicable provisions, laws, rules and regulations of the Companies Act, 2013.</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"> ✓ Consider and resolve the grievances of security holders. ✓ Consider and approve issue of share certificates, transfer and transmission of securities, etc. ✓ Redressal of serious complaints received from shareholders/ investors on non-receipt of shares after transfer in the physical form, complaints on Non-receipt of annual report, Non receipt of declared dividends etc. ✓ Set forth the policies relating to and to oversee the implementation of policy for Prevention of Insider and to review the concerns received under the MFL Code of Conduct. 	<table border="1"> <thead> <tr> <th data-bbox="829 1085 1016 1126">Name</th> <th data-bbox="1016 1085 1192 1126">Category</th> </tr> </thead> <tbody> <tr> <td data-bbox="829 1126 1016 1262">Mr. Vinod Kumar (Chairman)</td> <td data-bbox="1016 1126 1192 1262">Non-Executive Independent Director</td> </tr> <tr> <td data-bbox="829 1262 1016 1367">Mr. Deepak Arneja (Member)</td> <td data-bbox="1016 1262 1192 1367">Executive Director</td> </tr> <tr> <td data-bbox="829 1367 1016 1502">Mr. Ravinder Mohan Juneja (Member)</td> <td data-bbox="1016 1367 1192 1502">Executive Director</td> </tr> <tr> <td data-bbox="829 1502 1016 1983"></td> <td data-bbox="1016 1502 1192 1983"></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"> ✓ 07 (Seven) Committee meetings were held during the year on 21.06.2021, 21.07.2021, 25.09.2021, 30.10.2021, 30.11.2021, 15.02.2022, & 31.03.2022. ✓ During the year, all the Committee Members were present in the above meeting. ✓ The Company Secretary acts as Secretary to the committee. ✓ During the year, 1 (One) complaint was received from shareholders / investors and other agencies, which have been resolved to the satisfaction of the shareholders.
Name	Category												
Mr. Vinod Kumar (Chairman)	Non-Executive Independent Director												
Mr. Deepak Arneja (Member)	Executive Director												
Mr. Ravinder Mohan Juneja (Member)	Executive Director												

MOHINDRA FASTENERS LIMITED

Name of the Committee	Extract of Terms of Reference	Category and Composition		Meetings & Attendance
	The Stakeholder's Relationship Committee review all the information, listed in Para B of Part D of Schedule II of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, and other applicable provisions, laws, rules and regulations of the Companies Act, 2013.			<ul style="list-style-type: none"> ✓ There are no pending Complaint as at 31st March, 2022. ✓ The Chairman of the Stakeholder Relationship Committee Mr. Vinod Kumar was present at the 27th Annual General Meeting held on 23.09.2021 through Video Conference (VC')/ Other Audio-Visual Means ('OAVM').
Statutory Committees				
<u>CORPORATE SOCIAL RESPONSIBILITY</u>	<p>The terms of references of the Committee are as provisions of Companies Act.</p> <ul style="list-style-type: none"> ✓ Formulate and recommend to the board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. ✓ Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy. ✓ Monitor the CSR Policy. ✓ Review all other matters as applicable under any provisions, laws, rules and regulations of the Companies Act, 2013. 	Name	Category	<ul style="list-style-type: none"> ✓ 1(One) Committee meeting was held during the year on 14.02.2022. ✓ During the year, all the Committee Members were present in the above meeting.
		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>	Name	Category	<ul style="list-style-type: none"> ✓ 01 (One) Committee meeting was held during the year on 31.03.2022. ✓ Company has adopted this policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy with effect from 30th January, 2015.
		Ms. Nidhi Pathak (Presiding Officer)	Company Secretary	
		Mrs. Dimpy 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 2021-22, All Independent Directors met once on 31.03.2022 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.

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.

MOHINDRA FASTENERS LIMITED

DETAILS OF REMUNERATION FOR 2021 - 22

- The aggregate value of salary, perquisites and commission paid to Mr. Deepak Arneja, Chairman cum Managing Director & CEO, during the year **2021-22** is Rs. **50,52,000/-** comprising:

Salary	Rs. 34,80,000
Allowances and Perquisites	Rs. 15,72,000
Commission	NIL
Period of Agreement	Re-appointed w.e.f. 01 st July, 2020 for a period of five years i.e., till 30 th June, 2025.
Notice period	The Agreement may be terminated by either party, giving the other party three months' notice.
Severance fees	NIL
Stock Options	NIL

- The aggregate value of salary, perquisites and commission paid to Mr. Ravinder Mohan Juneja, Managing Director, during the year **2021-22** is **Rs. 50,52,000/-** comprising:

Salary	Rs. 34,80,000
Allowances and Perquisites	Rs. 15,72,000
Commission	NIL
Period of Agreement	Re-appointed w.e.f. 31 st March, 2020 for a period of five years i.e. till 30 th March, 2025.
Notice period	The Agreement may be terminated by either party, giving the other party three months' notice.
Severance fees	NIL
Stock Options	NIL

- The details of sitting fees paid during the financial year 2021-22 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	70000	60000	20000	50000	200,000
Commission	--	--	--	--	--
Others, please specify	--	--	--	--	--
Total	70000	60000	20000	50000	200,000

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.

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
27 th	2020-21	Through Video Conferencing & other Audio Visual Means (VC/OAVM)	23.09.2021 (Thursday)	11.30 A.M.	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 5(five) year w.e.f. 30.09.2021 to 29.09.2026. Further he shall continue his second term of directorship on attaining the age of 75 years on 01.06.2023.
26 th	2019-20	Through Video Conferencing & other Audio Visual Means (VC/OAVM)	29.09.2020 (Tuesday)	11.30 A.M.	No Special Resolution was passed
25 th	2018-19	Le Pacific Outdoor Catering Banquet at 31/35, Main Rohtak Road, Punjabi Bagh West, Opp. Metro Pillar No 142, New Delhi 110026	21.09.2019 (Saturday)	11.30 A.M.	To approve the re- appointment of Mr. Vinod Kumar (DIN: 02303504) as an Independent Director of the Company for a second term of 5(five) years.

No Extra-ordinary General Meeting of the shareholders was held during the year 2021-22.

- b) **Postal Ballot**

No resolution was passed through postal ballot voting process during the financial year 2021-22.

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.
- Annual Report containing, inter alia, Audited Standalone Financial Statements and Consolidated Financial Statements, Board's Report, Auditors' Report and other important information, is circulated to members and others entitled thereto. The document is also placed on the Company's website and submitted to the Metropolitan Stock Exchange of India Limited (MSEI).
- 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.
- All periodical compliance filings like shareholding pattern, corporate governance report, company announcements, among others are filed electronically on MSEI MY LISTING PORTAL and for XBRL Filings on: <https://xbrl.msei.in>.

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- Material events or information, as detailed in Regulation 30 of the SEBI Listing Regulations, are disclosed are also displayed on the Company's website under the "Investor" section at website.
- Information about unclaimed or unpaid dividends are also available on the website of the Company i.e. www.mohindra.asia.
- The Company sends an annual reminder to shareholders for unpaid dividend and consequently their shares and urging them to claim their shares and opt for ECS as the mode for receiving dividends.
- SEBI Complaints Redress System (SCORES): SCORES is an online facility, where investors can submit their complaints for redressal by the RTA/Company. The investor complaints are processed in a centralized web-based complaints address system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company has designated the following emailed exclusively for investor servicing. For queries on Annual Report & in respect of shares in physical mode – csnidhipathak@mohindra.asia.

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	:	Wednesday, September 28, 2022.
Venue	:	Annual General Meeting (AGM) is being conducted through video conferencing ('VC')/ other audio-visual means ('OAVM') and the deemed venue for the 28th AGM will be registered office of the Company. For details, please refer the Notice of 28th AGM.
Time	:	11.30 A. M.
Book Closure Dates	:	Thursday September 22, 2022 to Wednesday September 28, 2022 (both days inclusive).
Dividend Payment date for dividends declared during FY 2021-2022	:	Interim Dividend- Financial Year 2021-22- Paid on June 18, 2022.
Dividend Announcement	:	No final dividend has been recommended by the Board of the Directors for the FY 2021-22 and the interim dividend already declared and paid to be considered as final dividend for the financial year 2021-22.

The Ministry of Corporate Affairs vide its circulars dated May 05, 2022, December 14, 2021, December 08, 2021 in continuation of previous circulars dated 8th April, 2020, 13 April 2020 and 5th May, 2020, 13th January, 2021 has provided an option to Companies to conduct Annual General Meeting during the Calendar Year 2022 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 2021-22 along with Notice of AGM are being sent to the members, and all other persons/entities entitled to receive the same through Emails only and that the 28th 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 / compliances@skylinerta.com.

Tentative Financial Calendar 2022 - 23 (April to March)

The Company expects to announce the Unaudited Quarterly Results for the year 2022 - 23, as per the following schedule:

Financial Reporting for the Quarter ending June 30, 2022	Upto 14th August, 2022
Limited Review Report for the Quarter ended on June 30, 2022	Upto 14th August, 2022
Financial Reporting for the Quarter ending September 30, 2022 and Half-year results	Upto 14th November, 2022
Limited Review Report for the Quarter ended on September 30, 2022	Upto 14th November, 2022
Financial Reporting for the Quarter ending December 31, 2022	Upto 14th February, 2023
Limited Review Report for the Quarter ended on 31 December, 2022	Upto 14th February, 2023
Financial Reporting for the Quarter ending March 31, 2023 and Year ended Results	Upto 30th May, 2023
Audited Report for the Quarter and year ended March 31, 2023	Upto 30th May, 2023

The Audited Financial Results of the Company for the year 2022– 2023 will be announced on or before 30th May, 2023 which will include the results of the fourth quarter of the year 2022- 2023.

- (b) **Financial Year:** April, 2021 to March, 2022.
(c) **Final Dividend payment date:** Not Applicable
(d) **Unclaimed Dividends**

The Company is required to transfer dividend which remained unpaid / unclaimed for a period of seven years to the Investor Education and Protection Fund (‘IEPF’) established by the Central Government. Dividend declared up to the year ended 31st March, 2015 were transferred to IEPF Account. The details of all the unpaid/unclaimed dividends amounts as on 31st March, 2022 are given in the note no. 14 to Notice of 28th AGM.

The detail of the unpaid dividend amount and its due date for transfer to the IEPF for the FY 2014-15 during the financial year 2022-23 is given below:

Financial year	Type of Dividend	Amount	Date of Declaration	Due date of transfer to IEPF
2014-15	Final	2,15,610	30.09.2015	04.11.2022

Members who have not encashed dividend, as detailed above, are requested to have them encash to avoid transfer to IEPF. Members may note that the Company, from time to time, have intimated the shareholders to encash their unclaimed dividend at the earliest. The detailed information of the unclaimed dividend amounts are available on the website of the company at www.mohindra.asia.

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

The Securities of your company are listed at Metropolitan Stock Exchange of India Limited (MSEI). The scrip was initially listed at Rs. 65.10 and the symbol/scrip code named as ‘MFL’. The Annual Listing Fees for the year 2022-23 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.

- (f) **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

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

(g) **Market Information:**

Since the shares of the Company were not traded on Metropolitan Stock Exchange of India Limited during the financial year 2021-22, Market price data of Metropolitan Stock Exchange of India Limited is not available.

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

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

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

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

Address for Correspondence:

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

D, 153A, 1st Floor, Okhla Industrial Area, Phase – I,

New Delhi - 110020

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

Ph: +91-11-40450193-97

Skyline Financial Services Pvt. Ltd. also acted as the Registrar to the Issue for the Rights Issue of the Company, which was concluded in the month of March 2022.

(k) **Share Transfer System**

95.55% 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 shares 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.

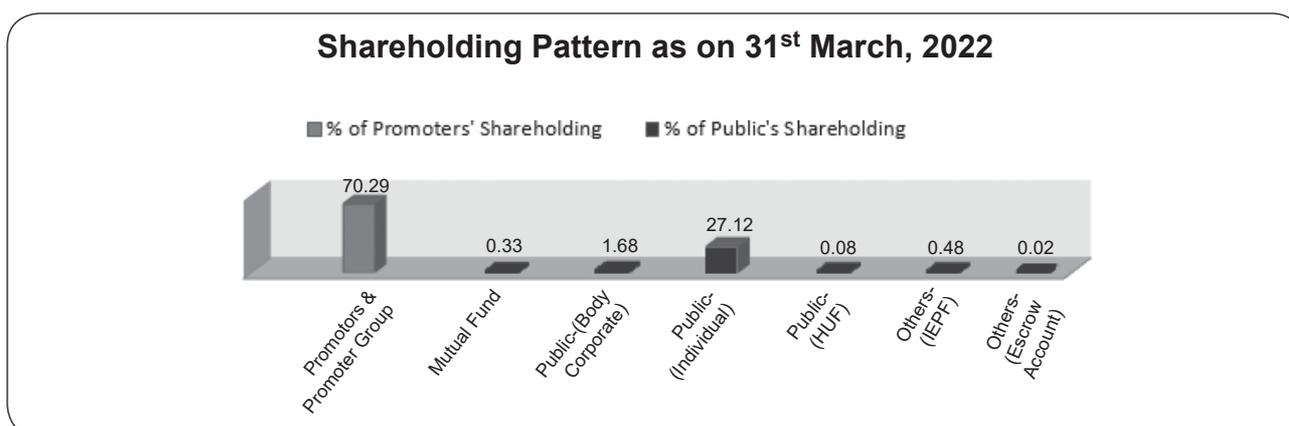
(I) Distribution of Shareholding as on 31.03.2022

Range of Share holding Nominal Value	No. of Shareholders	% to total Numbers of Shares	Total No. of Shares holding Amount	% to total Amount
Up to 5000	238	46.58	529880.00	0.90
5001 – 10000	116	22.70	1090480.00	1.85
10001 – 20000	55	10.76	926950.00	1.57
20001 – 30000	35	6.85	850430.00	1.44
30001 – 40000	10	1.96	354620.00	0.60
40001 – 50000	9	1.76	436000.00	0.74
50001 – 100000	19	3.72	1526050.00	2.59
100001 & above	29	5.68	53210200.00	90.30
Total	511	100.00	58924610.00	100.00

Note: During the year, the Company allotted 535,661 equity shares of face value of Rs. 10/- each at a price of Rs. 90/- each (including premium of Rs. 80/- each) as Rights Issue basis pursuant to which the paid-up Equity Share Capital of the Company has been increased by Rs. 53,56,610.

Categories of Shareholding of the Company as on 31.03.2022

Category	Nos. of Shares held	Percentage of Holding
A Promoter and Promoter Group		
1. Indian Promoters	41,41,540	70.29
2. Foreign Promoters	-	-
Sub-Total (A)	41,41,540	70.29
B Public Shareholding		
<u>Institutional Investors</u>		
Mutual Funds & UTI	19600	0.33
Banks, Financial Institutions, Insurance Companies	-	-
Central Government/State Government(s)	-	-
Foreign Institutional Investors	-	-
Others	-	-
<u>Non-Institutional Investors</u>		
Bodies Corporate	99,174	1.68
Individuals	15,98,148	27.12
NRIs	-	-
Clearing members	-	-
HUF	4429	0.08
Others-IEPF	28400	0.48
Escrow Account	1170	0.02
Sub-Total (B)	17,50,921	29.71
Grand Total (A+B)	58,92,461	100.00



(m) 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.

95.55% of total equity capital (including holding of promoter companies) is held in dematerialised form with NSDL and CDSL as on March 31, 2022.

The break-up of equity shares held in Physical and Dematerialized form as on March 31, 2022, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	261900	04.44
NSDL	2479203	42.07
CDSL	3151358	53.49
Total	5892461	100.00

Annual Custody Fees for the year 2022-23 has been paid to both the depositories of the Company, namely National Securities Depository Limited (NSDL) & Central Depository Services Limited (CDSL).

(n) 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.

(o) 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.

(p) Plant Locations

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

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

(q) 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

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)**.

(r) 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, 2022.	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 note no. 45 to the Standalone Financial Statements.</p> <p>The necessary details of related party transaction are prescribed in Form AOC 2 is enclosed with this Annual Report.</p> <p>The POLICY ON DEALINGS & MATERIALITY OF RELATED PARTY TRANSACTIONS placed on the website of the Company.</p>	<p>http://mohindra.asia/mfl/pdfs/DONE-RELATED-PARTY-POLICIES.pdf</p>

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Particulars	Regulations	Details	Website Links for details of policy
<p>Details of Non-compliance by the Company, penalty, strictures imposed on the Company by the Stock Exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years.</p>	<p>Schedule V Part C Point 10(b) to the SEBI (LODR) Regulations, 2015.</p>	<p>Neither there were any non-compliances, nor any penalties or strictures have been imposed on your company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.</p> <p>The Company has complied with all the applicable provisions of Listing Regulations, other guidelines/ regulations issued by the Securities and Exchange Board of India (SEBI) and applicable provisions of other statutes.</p> <p>The Company has complied with all the mandatory requirements as per the provisions of Regulation 34, 53 and Schedule V of the Listing Regulations.</p>	<p>N.A</p>
<p>Whistle Blower Policy and Vigil Mechanism</p>	<p>Regulation 22 of SEBI (LODR) Regulations, 2015.</p>	<p>Pursuant to Sections 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, 2015, the Company has 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. The details about the Whistle Blower Policy can be accessed on the website of the Company.</p>	<p>http://mohindra.asia/mfl/pdfs/vigil-mechanism.pdf</p>

Particulars	Regulations	Details	Website Links for details of policy
<p>Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of SEBI (LODR) Regulations, 2015, relating to Corporate Governance</p>	<p>Regulation 27(1) as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015.</p>	<p>The Company has complied with all mandatory requirements and The Company has also adopted few non-mandatory requirements listed in Regulation 27(1) as specified in Part E of Schedule II of the SEBI Listing Regulations and status of compliance with the same is as under:</p> <ul style="list-style-type: none"> • Office for non-executive Chairman at company's expense: The Chairman of the Company is an Executive Director (Chairman and Managing Director). Hence, disclosure under this head does not arise. • Shareholder's Right: The quarterly / half yearly/annual results, after they are taken on record by the Board of Directors communicated to the stock exchanges. The Quarterly and half yearly financial results, performance including summary significant events are published in the newspapers and posted on the company's website. • Modified opinion(s) in Audit Report: There is no audit qualification with regard to financial statements in the Auditors' Report or qualification or adverse remark by the Company Secretary in Practice in their Secretarial Audit Report for financial year 2021-22. • Reporting of Internal Auditor: The Internal Auditors of the Company make quarterly presentations to the audit committee on their report. 	<p>N.A.</p>
<p>Accounting Treatment and Compliance with Accounting Standards</p>	<p>Companies (Indian Accounting Standards (IND AS) Rules, 2015 and Indian GAAP under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.</p>	<ul style="list-style-type: none"> • The Company has followed and prepared the Financial Statements (Standalone & Consolidated) in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed in India. • The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements (Standalone & Consolidated). • In the preparation of Financial Statements (Standalone & Consolidated), the Company had adopted Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013. 	<p>N.A.</p>

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Particulars	Regulations	Details	Website Links for details of policy
CEO & MD/ CFO Certification	Regulation 17(8) and Part B of Schedule II of SEBI Listing Regulations	<ul style="list-style-type: none"> The Managing Director & CEO and the Chief Financial Officer have certified to the Board and have issued certificate, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs for the Financial Year ended 31st March, 2022. The said Certificate is enclosed as Annexure-A to the Corporate Governance Report. 	N.A.
Auditors' Certificate on Corporate Governance	Para E of Schedule V of SEBI Listing Regulations	A Compliance Certificate from Statutory Auditors M/s B.L. Khandelwal & Co., (Chartered Accountants) of the company, in pertaining to the compliance of conditions of corporate governance is enclosed as Annexure-B to the Corporate Governance Report.	
Code of Conduct	Para D of Schedule V of SEBI (LODR) Regulations, 2015.	<ul style="list-style-type: none"> The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company. All Board members and senior management personnel have affirmed compliance with the code of conduct applicable to them during the year ended March 31, 2022. The Code of Conduct has incorporated the duties of independent directors as laid down under the Companies Act, 2013. A declaration signed by the Managing Director & CEO is enclosed as Annexure-C to the Corporate Governance Report. 	http://mohindra.asia/mfl/policies_and_code.html
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"> A certificate from a Practicing Company Secretary has to be obtained regarding the fact that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. A Certificate from M/s Anand Nimesh & Associates, Company Secretary in practice, Secretarial Auditors of the company is enclosed as Annexure-D to the Corporate Governance Report. 	N.A.

Particulars	Regulations	Details	Website Links for details of policy
Prevention of Insider Trading	SEBI (Prohibition of insider trading) (Amendment) Regulations, 2018.	The Company has amended the code of Internal Procedures and Conduct for regulating, monitoring and reporting trading by designated persons and Code of fair disclosure of unpublished price sensitive information in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 w.e.f. April 1, 2019	http://mohindra.asia/mfl/polices_and_code.html

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A): During the year ended 31st March, 2022, there were no funds raised through preferential allotment or qualified institutions placement except the Company has raised Rs. 4.82 crores through issue of 535,661 fully paid-up equity shares of Rs. 10/- each at a price of Rs. 90/- each (including a premium of Rs. 80/- each), by way of Rights Issue.

As on 31st March, 2022, the status of utilisation of Funds raised under the Rights Issue was as follows:

Original Object	Modified Object, if any	Original Allocation (Rs. in Lakhs)	Modified Allocation, if any	Funds Utilised (Rs. in Lakhs)	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
Capital Expenditure i.e. to meet the funding needs of expansion plan of the Company- Green Field Project coming up at IMT Rohtak, Haryana	N.A.	482.09	N.A.	482.09	Nil	Nil
Total Net Proceeds		482.09		482.09		

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. 39 of Notes to the Standalone financial statements for the year ended 31st March, 2022.

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.

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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 2021-22.

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	08	1170
5	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	--	--

**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 and the summary of the significant accounting policies and other explanatory information of the Company, and the Board’s report for the year ended 31st March, 2022 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: 30.05.2022
Place: New Delhi**

**(Sunil Mishra)
Chief Financial Officer**

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

ANNEXURE “B”
TO THE CORPORATE GOVERNANCE REPORT

INDEPENDENT AUDITORS’ CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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, 2022, 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 as amended from time to time (“Listing Regulations”) pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management’s Responsibility

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

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other

purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Place: New Delhi

Date: 13.08.2022

**(CA Vivek Gupta)
Partner
(M. No. FCA-094319)
UDIN-22094319AOZITH9749**

ANNEXURE “C”
TO THE CORPORATE GOVERNANCE REPORT

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

To,
The Members of Mohindra Fasteners Limited

I, Deepak Arneja, Managing Director, hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Business Conduct and Ethics formulated by the Company for the financial year ended March 31, 2022.

Place: New Delhi
Date: 13.08.2022

(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) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that **none of the Directors on the Board of the Company as stated below for the financial year ended 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.**

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

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

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

For Anand Nimesh & Associates
(Company Secretaries)

Place: New Delhi

Date: 13.08.2022

ANAND KUMAR SINGH
(Partner)
M. No. 24881 COP No.: 9404
UDIN- F010812D00079725



INDEPENDENT AUDITOR'S REPORT

To The Members of Mohindra Fasteners Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of Mohindra Fasteners Limited, ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss, (including Other Comprehensive Income), Standalone Statement of Cash Flows for the year and the Standalone Statement of Changes in Equity then ended, and notes to the Standalone financial statements, including a Standalone 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 standalone 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, 2022, its Profit and including other comprehensive income, its Cash Flows and the Changes in Equity 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 (SAs) specified under section 143(10) of the Companies Act, 2013. 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

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

We draw attention to Note 49(f) of the Standalone 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 Standalone 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.

We have determined the matter described below to be the Key audit matter to be communicated in our report.



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Standalone Financial Statements for the year ended 31st March 2022 (Contd.)

Revenue recognition See Note 32 to the standalone financial statements:

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



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Standalone Financial Statements for the year ended 31st March 2022 (Contd.)

Provision for taxation, litigation and other significant provisions

See Note 18, 25, 30 and 31 to the standalone financial Statements:

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



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Standalone Financial Statements for the year ended 31st March 2022 (Contd.)

Assessment of contingent liabilities relating to litigations and claims

See Note 44 to the Standalone financial statements:

S.NO.	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
3.	<p>The Company is periodically scrutiny the matters relating to direct tax and indirect tax further, potential exposures may also arise from general legal proceedings, environmental issues etc. in the normal course of business.</p> <p>Assessment of contingent liabilities disclosure requires Management to make judgments and estimates in relation to the issues and exposures. Whether the liability is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as liability, is inherently subjective.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none">• We tested the effectiveness of controls around the recording and re-assessment of contingent liabilities.• We used our subject matter experts to assess the value of material contingent liabilities in light of the nature of exposures, applicable regulations and related correspondence with the authorities.• We discussed the status and potential exposures in respect of significant litigation and claims with the Company's internal legal team including their views on the likely outcome of each litigation and claim and the magnitude of potential exposure and sighted any relevant opinions given by the Company's advisors.• We assessed the adequacy of disclosures made.• We discussed the status in respect of significant provisions with the Company's internal tax and legal team.• We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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.



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Standalone Financial Statements for the year ended 31st March 2022 (Contd.)

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's Responsibility for the Standalone 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 standalone 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 with the 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Standalone Financial Statements for the year ended 31st March 2022 (Contd.)

- 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 Section 197(16) of the Act, based on our audit, we report that the company has paid remuneration to its director during the year is in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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.
3. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow statement and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Standalone Financial Statements for the year ended 31st March 2022 (Contd.)

- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure -“B”**.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements—Refer note no.44 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
 - v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

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

Place: Delhi
Date: 30.05.2022
UDIN: 22094319AKVCIX5929

CA Vivek Gupta
Partner
Membership No. F094319



Annexure-“A” to the Independent Auditor’s Report of even date to the members of Mohindra Fasteners Limited, on the standalone financial statements for the year ended 31st March 2022

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- I. (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
(B) The company has maintained proper records showing full particulars of Intangible assets
- (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 all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) There is no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- II. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts have been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
(b) The company has been sanctioned working capital limits in excess of **five crore rupees**, in aggregate, from banks or financial institutions on the basis of security of current assets; In our opinion, there are no material discrepancies between the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- III. The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the Provision of clause 3(iii) (a) to 3(iii) (f) of the order are not applicable to the company.
- IV. The Company has complied with the provisions of section 186 in respect of investments. Further, in our opinion, the company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.
- V. The Company has not accepted any deposits or amounts which are deemed to be 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. Accordingly, the Provision of clause 3(v) of the order are not applicable to the company.



Annexure-“A” to the Independent Auditor’s Report of even date to the members of Mohindra Fasteners Limited, on the standalone financial statements for the year ended 31st March 2022 (Contd.)

- VI. 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.
- VII. (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Duty of Customs, Income Tax, Goods and Service Tax, Cess and other statutory dues, as applicable, to the appropriate authorities. no undisputed amounts payable in respect of Income Tax, Duty of Custom, Goods and Service Tax and Cess were in arrears, as at 31stMarch 2022 for a period of more than six months from the date they became payable.
- (b) There are no dues of income-tax, sales tax, service tax, goods and services tax, duty of customs, Provident fund, Employees’ state Insurance and other material statutory dues which have not been deposited by the company on account of disputes.
- VIII. The company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- IX. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The company is not declared wilful defaulter by any bank or financial institution or other lender.
- (c) All the term loans were applied for the purpose for which the loans were obtained.
- (d) There is no funds raised on short term basis have been utilized for long term purposes.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- X. (a) The Company has not raised any money by way of initial/further public offer (including debt instruments) during the year. Accordingly, cause 3(x)(a) of the Order is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, cause 3(x)(b) of the Order is not applicable.
- XI. (a) 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.
- (b) No Report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- XII. The Company is not chit fund or nidhi/mutual benefit trust/society. Therefore, the provisions of the clause 3 (xii)(a) to 3 (Xii)(c) of the Order are not applicable to the Company.



Annexure-“A” to the Independent Auditor’s Report of even date to the members of Mohindra Fasteners Limited, on the standalone financial statements for the year ended 31st March 2022 (Contd.)

- XIII. All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of transactions during the year have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards. Refer note no. 45 to the Standalone financial statements.
- XIV. (a) The company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the company issued till date for the period under audit.
- XV. 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.
- XVI. (a) The Company is not required to be register under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(XVI)(a) of the Order is not applicable.
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, Clause 3(XVI)(b) of the Order is not applicable.
(c) The Company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(XVI)(c.) of the order is not applicable.
(d) The Group has no CIC. Accordingly, Clause 3(XVI)(d) of the Order is not applicable.
- XVII. The company has not incurred any cash losses in the Current financial year and in the immediately preceding financial year.
- XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, Clause 3(XVIII) of the Order is not applicable.
- XIX. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, based on our examination of the evidence supporting the assumptions, we opinion that there is no material uncertainty exists as on the date of the audit report regarding whether company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- XX. There is no unspent amount under sub-section (5) of section 135 of the companies Act, 2013 pursuant to any project. Accordingly, clause 3(XX)(a) and 3(XX)(b) of the order are not applicable.

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

Place: Delhi
Date: 30.05.2022
UDIN: 22094319AKVCIX5929

CA Vivek Gupta
Partner
Membership No. F094319



Annexure-“B” to the Independent Auditor’s Report of even date to the members of Mohindra Fasteners Limited on the standalone financial statements for the year ended 31st March 2022

Independent Auditor’s Report on the Internal Financial Controls with reference to standalone Financial statements 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, 2022 in conjunction with our audit of the Standalone 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;

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



Annexure-“B” to the Independent Auditor’s Report of even date to the members of Mohindra Fasteners Limited on the standalone financial statements for the year ended 31st March 2022 (contd.)

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to over Standalone 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 Standalone financial statements and such internal financial controls over financial reporting with reference to these Standalone financial statements were operating effectively as at March 31, 2022, 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: 30.05.2022
UDIN: 22094319AKVCIX5929

CA Vivek Gupta
Partner
Membership No. F094319

MOHINDRA FASTENERS LIMITED
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 st March, 2022	As at 31 st March, 2021
I. ASSETS			
(1) Non-Current Assets			
(i) Property, Plant & Equipment	5	2745.85	2664.95
(ii) Capital Work in Progress	6	1324.00	48.08
(iii) Right-of-use Assets	7	9.33	21.76
(iv) Other Intangible Assets	8	5.81	7.00
(v) Financial Assets			
(a) Investments	9	111.88	9.24
(b) Trade Receivables	10	19.96	20.88
(c) Other Financial Assets	11	105.12	417.24
(vi) Other Non Current Assets	12	672.59	95.10
Total non-current Assets		4994.54	3284.25
(2) Current Assets			
(i) Inventories	13	2808.11	1795.39
(ii) Financial Assets			
(a) Trade Receivables	14	3068.96	2353.32
(b) Cash and Cash Equivalents	15	1983.27	2183.73
(c) Bank Balance other than (b) above	16	18.49	17.41
(d) Other financial assets	17	76.71	94.56
(iii) Current Tax Assets (Net)	18	0.00	0.77
(iv) Other Current Assets	19	1190.02	879.19
Total current Assets		9145.56	7324.37
Total Assets		14140.10	10608.62
II. EQUITY AND LIABILITIES			
(1) Equity			
(i) Equity Share Capital	20	589.25	535.68
(ii) Other Equity	21	7579.42	6085.50
Total Equity		8168.67	6621.18
Liabilities			
(2) Non-Current Liabilities			
(i) Financial Liabilities			
(a) Borrowings	22	908.65	0.00
(ai) Lease Liabilities	23	0.00	11.73
(ii) Provisions	24	58.85	25.70
(iii) Deferred Tax Liabilities (Net)	25	99.87	115.91
Total non-current liabilities		1067.37	153.34
(3) Current Liabilities			
(i) Financial Liabilities			
(a) Borrowings	22	1919.07	1510.57
(ai) Lease Liabilities	26	11.73	13.15
(b) Trade Payables:-	27		
(A) Total outstanding dues of Micro enterprises and Small Enterprises		60.76	85.47
(B) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2473.39	1865.81
(c) Other Financial Liabilities	28	58.34	24.77
(ii) Other Current Liabilities	29	247.21	187.44
(iii) Provisions	30	118.38	146.89
(iv) Current Tax Liabilities (Net)	31	15.18	0.00
Total Current liabilities		4904.06	3834.10
Total Liabilities		5971.43	3987.44
Total Equity & Liabilities		14140.10	10608.62

Significant Accounting policies 3 and 4

Notes 1 to 54 form an integral part of these Standalone financial statements

As per our Report of even date attached

For B.L. Khandelwal & Co.

Chartered Accountants

Firm Reg. No.: 000998N

For & on Behalf of the Board of Directors of Mohindra Fasteners Limited

CA Vivek Gupta
(Partner)
Membership No. 094319

Deepak Arneja
(Managing Director & CEO)
DIN: 00006112

Ravinder Mohan Juneja
(Managing Director)
DIN: 00006496

Place: New Delhi
Date: 30/05/2022

Sunil Mishra
(Chief Financial Officer)

Nidhi Pathak
(Company Secretary)
(M.No. 31973)

**STANDALONE STATEMENT OF PROFIT & LOSS OF THE YEAR
ENDED 31st MARCH, 2022**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Particulars	Note	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Income:			
Revenue from operations	32	13,680.67	10,601.63
Other Income	33	281.19	236.91
Total Income		13,961.86	10,838.54
Expenses:			
Cost of Materials Consumed	34	5,427.97	3,748.08
Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade	35	(648.29)	203.43
Employee Benefits Expense	36	2,516.20	1,961.57
Finance Costs	37	74.60	64.37
Depreciation and Amortization Expense	38	238.70	319.28
Other Expenses	39	4,670.54	3,161.28
Total Expenses		12,279.72	9,458.01
Profit before exceptional items and tax		1,682.14	1,380.53
Exceptional items		-	-
Profit before tax		1,682.14	1,380.53
Tax expense:	40		
Current Tax		447.30	378.43
Deferred Tax		(9.86)	(35.96)
Total Tax Expense		437.44	342.48
Profit for the year		1,244.70	1,038.06
Other comprehensive income Items that will not be reclassified to profit or loss	41		
(a) Re-measurement of the defined benefit plans		(24.52)	(22.15)
(b) Income tax effect on (a) above		6.17	5.57
(c) Fair value changes on Equity instruments through Other Comprehensive Income		(0.26)	4.12
(d) Income tax effect on (c) above		-	-
Total Other comprehensive income/(Loss) for the year (Net of Tax)		(18.61)	(12.46)
Total comprehensive income for the year		1,226.09	1,025.60
Earnings per equity share	42		
Basic (in ₹)		23.00	19.38
Diluted (in ₹)		23.00	19.38

Significant Accounting policies

3 and 4

Notes 1 to 54 form an integral part of these Standalone financial statements

As per our Report of even date attached

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

For & on Behalf of the Board of Directors of Mohindra Fasteners Limited

CA Vivek Gupta
(Partner)
Membership No. 094319

Deepak Arneja
(Managing Director & CEO)
DIN: 00006112

Ravinder Mohan Juneja
(Managing Director)
DIN: 00006496

Place: New Delhi
Date: 30/05/2022

Sunil Mishra
(Chief Financial Officer)

Nidhi Pathak
(Company Secretary)
(M.No. 31973)

MOHINDRA FASTENERS LIMITED

Notes to Standalone Financial Statements for the Year ended 31st March, 2022

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Standalone Statement of Changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

(1) Current reporting period

As at 01st April, 2021	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the Current year	As at 31st March, 2022
535.68	0.00	0.00	53.57	589.25

(2) Previous reporting period

As at 01st April, 2020	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the Current year	As at 31st March, 2021
535.68	0.00	0.00	0.00	535.68

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Profit and loss			Total
	Capital Reserve	Securities Premium	General reserve	Other Reserves	Retained Earnings	Items that will not be reclassified to Profit and loss		
						Equity instruments through other comprehensive income	Reameasurement of Defined benefit Plans	
Balance as at 1st April, 2020	5.74	0	230.00	83.09	5,085.58	3.73	(53.62)	5,354.53
Total Comprehensive Income For the year	0.00	0	0.00	0.00	1,038.06	4.12	(16.59)	1,025.59
Less: Dividend (Rs. 3.50 per share) of FY 19-20 paid in FY 20-21	0.00	0	0.00	0.00	(187.49)	0.00	0.00	(187.49)
Less: Intrim Dividend (Rs. 2 per share) of FY 20-21	0.00	0	0.00	0.00	(107.14)	0.00	0.00	(107.14)
Balance as at 31st March, 2021	5.74	0	230.00	83.09	5,829.01	7.85	(70.21)	6,085.50
Total Comprehensive Income For the year	0.00	0	0.00	0.00	1,244.70	(0.26)	(18.35)	1,226.10
on Right issue	0.00	428.53	0.00	0.00	0.00	0.00	0.00	428.53
Less: Dividend	0.00	0	0.00	0.00	(160.70)	0.00	0.00	(160.70)
Balance as at 31st March, 2022	5.74	428.53	230.00	83.09	6,913.01	7.59	(88.56)	7,579.42

Notes 1 to 54 form an integral part of these Standalone financial statements

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST MARCH, 2022**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
A. Cash Flow from Operating Activities		
Net Profit before tax	1682.14	1380.53
<i>Adjustment for:-</i>		
Depreciation and Amortization Expense	238.70	319.28
Loss/(Profit) on disposal of Property, Plant & Equipment (Net)	0.00	(1.96)
Remeasurement of Defined Benefit Plans	(24.52)	(22.15)
Finance Costs	74.60	64.37
Interest Income	(120.26)	(154.59)
Dividend Income	(0.04)	(0.01)
Operating Profit before Working Capital Changes	1850.62	1585.46
(Increase)/Decrease in Inventories	(1012.72)	285.43
(Increase) in other current assets	(1009.71)	(1139.92)
Decrease/ (Increase) in Non-current Assets	299.69	(304.30)
Increase in Trade payables	582.88	217.91
Increase/ (decrease) in other current liabilities	57.52	(7.70)
Increase/ (decrease) in Non-current liabilities	33.14	(14.28)
Cash generated from operations	801.42	622.61
Income taxes Paid (Net)	(424.31)	(379.20)
Net Cash from Operating Activities (A)	377.11	243.40
B. Cash Flow from Investing Activities		
Purchase of Property, plant & equipment (including Capital-work-in-progress and Payment for capital advances) and intangible assets	(2146.02)	(124.12)
Proceeds from disposal of Property, Plant & Equipment	0.00	2.83
Investment in Equity Instruments	(102.64)	0.00
Interest Income	120.26	154.59
Dividend Income	0.04	0.01
Net Cash (used in)/from Investing Activities (B)	(2128.36)	33.31
C. Cash Flow from Financing Activities		
Proceeds from issue of Equity Shares Capital	482.09	0.00
Proceeds of Long Term Borrowings (Net)	908.65	0.00
Proceeds of Short Term Borrowings (Net)	408.51	221.29
Interest Paid	(71.87)	(60.38)
Dividends Paid	(160.70)	(294.62)
Payment of Lease Liabilities	(15.89)	(15.40)
Net Cash from/ (used in) Financing Activities (C)	1550.79	(149.12)
Net Cash flows during the year (A+B+C)	(200.44)	127.60
Cash and Cash Equivalents at the Beginning of the Year	2183.73	2056.14
Cash and Cash Equivalents at the End of the Year*	1983.27	2183.73
Components of cash and cash equivalents (refer Note 15)		
Balance with scheduled Banks in current Accounts	19.25	50.23
Cash on Hand	2.38	3.84
Balance with banks in deposit accounts with original maturity upto three months	1961.64	2129.66
	1983.27	2183.73

MOHINDRA FASTENERS LIMITED**Standalone Cash Flow Statement for the year ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Lease Liabilities	Non-current borrowings including current liabilities of long term borrowings	Current borrowings	Dividend
Opening balance as on 1 st April 2020	36.30	-	1289.28	-
Add: Non Cash Charges due to				
-Recognition of lease liabilities	-	-	-	-
-Interest Expenses	3.99	-	60.38	-
-Interest Capitalised	-	-	-	-
-Fare Value Changes	-	-	-	-
-Interim Dividend	-	-	-	294.63
Add: Cash Inflows during the year				
-Proceeds from non-current borrowings	-	-	221.29	-
-Proceeds from current borrowings	-	-	-	-
Less: Cash Outflow during the year				
-Repayment of non-current borrowings	-	-	-	-
-Repayment of current borrowings	-	-	-	-
-Repayment of lease liabilities	(15.40)	-	-	-
-Interest Paid	-	-	(60.38)	-
-Interim Dividend paid including dividend distribution tax	-	-	-	(294.63)
Closing balance as on 31st March 2021	24.89	0.00	1510.57	0.00
Add: Non cash changes due to				
-Recognition of lease liabilities	-	-	-	-
-Interest Expenses	2.74	-	71.86	-
-Fare Value Changes	-	-	-	-
-Interim Dividend	-	-	-	160.70
Less: Non cash changes due to				
-Adjustment in lease liabilities on modification	-	-	-	-
Add: Cash Inflows during the year				
-Proceeds from non-current borrowings	-	989.27	327.89	-
-Proceeds from current borrowings	-	-	-	-
Less: Cash Outflow during the year				
-Repayment of non-current borrowings	-	-	-	-
-Repayment of current borrowings	-	-	-	-
-Repayment of lease liabilities	(15.89)	-	-	-
-Interest Paid	-	-	(71.86)	-
-Interim Dividend paid including dividend distribution tax	-	-	-	(160.70)
Closing balance as on 31st March 2022	11.73	989.27	1838.45	0

The Standalone Cash Flow Statement has been prepared under the Indirect Method as set out in Ind As -7 "statement of cash flows"

Notes 1 to 54 form an integral part of these Standalone financial statements

As per our Report of even date attached

For B.L. Khandelwal & Co.

Chartered Accountants

Firm Reg. No.: 000998N

CA Vivek Gupta

(Partner)

Membership No. 094319

For & on Behalf of the Board of Directors of Mohindra Fasteners Limited

Deepak Arneja

(Managing Director & CEO)

DIN: 00006112

Ravinder Mohan Juneja

(Managing Director)

DIN: 00006496

Place: New Delhi

Date: 30/05/2022

Sunil Mishra

(Chief Financial Officer)

Nidhi Pathak

(Company Secretary)

(M.No. 31973)

Notes To Standalone Financial Statements For The Year Ended
31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Note : 5 Property, Plant & Equipment

Particulars	Gross Block			Depreciation			Net Block		
	As at 01-04-2021	Additions	Disposals/ Adjustments	As at 31-03-2022	As at 01-04-2021	Charge for the year	Disposals/ Adjustments	As at 31-03-2022	As at 31-03-2021
Land	873.21	49.40	0.00	922.61	0.00	0.00	0.00	922.61	873.21
Buildings	754.18	101.43	0.00	855.61	366.02	22.22	0.00	467.37	388.16
Plant & Equipment	5598.30	135.50	0.00	5733.80	4250.63	187.02	0.00	1296.15	1347.67
Furniture & Fixtures	88.95	0.26	0.00	89.20	75.47	2.98	0.00	10.76	13.48
Vehicles	42.01	5.80	0.00	47.80	18.24	4.46	0.00	25.10	23.77
Office Equipments	81.74	4.67	0.00	86.41	71.83	4.09	0.00	10.49	9.91
Computers and Data Processing Units	116.83	8.16	0.00	124.99	108.07	3.55	0.00	13.37	8.75
Total	7555.21	305.22	0.00	7860.43	4890.26	224.32	0.00	2745.85	2664.95
(Previous Year Figures)	7496.63	75.90	17.31	7555.21	4603.92	302.79	16.45	2664.95	2892.71

Note: 6 Capital Work in Progress

Particulars	As at 01-04-2021	Addition during the year	Capitalisation during the year	As at 31-03-2022	As at 31-03-2021
Capital Work-in-progress	48.08	1275.92	0.00	1324.00	48.08
Sub Total (C)	48.08	1275.92	0.00	1324.00	48.08
(Previous Year Figures)	1.36	47.05	0.33	48.08	0.00

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	1275.92	48.08	0.00	0.00	1324.00
Projects temporarily suspended	NIL	NIL	NIL	NIL	NIL
(b) For Capital-work-progress, whose completion is overdue or has exceeded its cost compared to its original plan,					
Particulars	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	43.28	0.00	0.00	0.00	43.28
Plant & Machinery	1172.84	0.00	0.00	0.00	1172.84

MOHINDRA FASTENERS LIMITED

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 7 Right-of-use-assets

Particulars	Gross Block			Depreciation on Right of use Assets			Net Block		
	As at 01-04-2021	Addition	Disposals	As at 31-03-2022	As at 01-04-2021	Addition	Disposal	As at 31-03-2022	As at 31-03-2021
Building	46.63	0.00	0.00	46.63	24.87	12.44	0.00	37.31	21.76
Total	46.63	0.00	0.00	46.63	24.87	12.44	0.00	37.31	21.76
(Previous Year Figures)	46.63	0.00	0.00	46.63	11.66	13.21	0.00	24.87	34.97

Note : 8 Other Intangible Assets

Particulars	Gross Block			Amortisation			Net Block		
	As at 01-04-2021	Additions	Disposals/adjustments	As at 31-03-2022	As at 01-04-2021	Charge for the year	Disposals	As at 31-03-2022	As at 31-03-2021
Computer Software	51.40	0.75	0.00	52.15	44.40	1.94	0.00	46.34	7.00
Total	51.40	0.75	0.00	52.15	44.40	1.94	0.00	46.34	7.00
(Previous Year Figures)	49.90	1.50	0.00	51.40	41.13	3.28	0.00	44.40	8.77

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Note : 9 Non-Current Financial Assets- Investments

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Quoted Investments		
Investment in Equity Instruments (Carried at Fair value through Other Comprehensive Income)		
1800 Equity Shares (31 st March 2021 : 1800) of Rs. 10/- each fully paid up in Bank of India	0.94	1.16
3000 Equity Shares (31 st March 2021 : 3000) of Rs. 2/- each fully paid up in Sterling Tools Limited	4.60	5.36
400 Equity Shares (31 st March 2021 : 400) of Rs. 1/- each fully paid up in Sundram Fasteners Limited	3.42	2.70
150 Equity Shares (31 st March 2021 : 150) of Rs. 10/- each fully paid up in Lakshmi Precision Screws Ltd.	0.01	0.01
Total (Quoted)	8.98	9.24
UnQuoted Investments		
Investment in Equity Instrument in Joint Venture (Carried at cost)		
49000 Equity shares (31 st March 2021 : Nil) of Rs. 10 each fully paid up in K K Mohindra Fastenings (P) Ltd. (Note-a)	4.90	0.00
Share Application Money (Pending Allotment)	98.00	0.00
Total in ₹	111.88	9.24
Aggregate Amount of Quoted Investments	8.98	9.24
Aggregate Amount of UnQuoted Investments	102.90	0.00
Other Information		
Quoted Investments :		
Market Value	8.98	9.24
Note:-		
(a) Proportion of ownership interest in joint venture is stated as follows:-		

Name of Jointly Controlled entity	Place of Business	% of ownership Interest		Accounting Method
		AS at 31 st March 2022	AS at 31 st March 2021	
KK Mohindra Fastenings (P) Ltd.	India	49	N.A.	Equity Method in accordance with Ind AS 28 "Investments in Associate and Joint Ventures"

Equity Investments in Joint Venture are measured at cost as per the Provisions of IND AS-27 on "Separate Financial Statements"

Note : 10 Non- Current Financial Assets -Trade Receivables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade Receivables - Credit impaired	19.96	20.88
Total in ₹	19.96	20.88

Particulars	Outstanding for following periods from due date of payment*					
	Less than 6 Months	6 Months- 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	6.25	13.71	19.96

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 11 Non- Current Financial Assets - Other Financial Assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Security Deposits	105.12	102.71
Bank Deposit with more than 12 months maturity on account of Bank Deposit as Margin Money Deposited*	0.00	314.52
Total in ₹	105.12	417.24

*Margin Money held with banks against opening of Letter of Credit (LC) including interest

Note : 12 Other Non Current Assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured and Considered good)		
Capital Advance	564.12	0.00
Advances Other than Capital Advances		
- Deposit with statutory authority under protest	38.35	35.63
- Balance with Revenue Authorities	32.23	32.23
Others :-		
-Compensated Absences	37.89	26.09
-Others	0.00	1.16
Total in ₹	672.59	95.10

Note : 13 Inventories

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Valued at Lower of Cost or Net realisable Value)		
Raw Material	799.95	589.46
Work-in-Progress	716.95	278.65
Finished Goods	736.79	516.56
Consumables,Stores, Tools,Spares & Packing Material (includes goods in transit of Rs.51,567/-) (31 st March, 2021 : Nil)	551.96	398.03
Scrap	2.46	12.70
Total in ₹	2808.11	1795.39

Note : 14 Current Financial Assets - Trade Receivables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade receivable Considered good-secured	3068.96	2353.32
Trade receivable Considered good-Unsecured	-	-
Trade receivable which having significant increase in credit risk	-	-
Trade receiveables-credit impaired	-	-
Total in ₹	3068.96	2353.32

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment*					
	Less than 6 Months	6 Months-1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	2991.04	31.71	15.96	8.84	21.41	3068.96
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note : 15 Current Financial Assets - Cash and Cash Equivalents

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Balances with Banks (Current Account)	19.26	50.23
Cash on Hand	2.37	3.84
Balance with banks in deposit accounts with original maturity upto three months#	1961.64	2129.66
Total in ₹	1983.27	2183.73

Balance with banks in deposit accounts includes Rs.205.62 lacs held with banks against opening of Letter of Credit (LC)

Note : 16 Current Financial Assets - Bank balance other than Cash & Cash Equivalents

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unpaid Dividend Account (Earmarked Balances with Banks)*	18.49	17.41
Total in ₹	18.49	17.41

* Not due for deposits in the Investor education and protection fund

Note : 17 Current Financial Assets - Others

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured and Considered good)		
Security Deposits	2.43	1.58
Interest Accrued But Not Due on Fixed deposit with bank	74.28	92.97
Total in ₹	76.71	94.56

Note : 18 Current Tax Assets (Net)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Advance Payment of Taxes/TDS (Net of provision)	0.00	0.77
Total in ₹	0.00	0.77

Note : 19 Other Current Assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Advance other than capital advances:-		
Prepaid Expenses	22.29	12.92
Advance to Suppliers	18.44	12.52
Balance With Revenue Authorities	1130.96	841.21
Advance to Others	11.66	7.20
Receivable from employees	6.67	5.34
Total in ₹	1190.02	879.19

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 20 Equity Share Capital

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
<u>AUTHORISED SHARE CAPITAL :</u>		
12000000 Equity Shares of Rs. 10/- each. (31 st March 2021: 12000000 Equity Shares of Rs. 10/- each)	1200.00	1200.00
5500000 Non Convertible Cumulative Preference Shares of Rs. 10/- each. (31 st March 2021: 5500000 Non Convertible Cumulative Preference Shares of Rs. 10/- each.)	550.00	550.00
	1750.00	1750.00
<u>ISSUED CAPITAL</u>		
6006961 Equity Shares of Rs. 10/- each, fully paid up (31 st March 2021: 5471300 Equity Shares of Rs. 10/- each fully paid up)	600.70	547.13
<u>SUBSCRIBED AND PAID UP CAPITAL</u>		
5892461 Equity Shares of Rs. 10/- each fully paid up (31 st March 2021: 5356800 Equity Shares of Rs. 10/- each fully paid up)	589.25	535.68
Total in ₹	589.25	535.68

a) The Reconciliation of Equity Shares at the beginning & at the end of the reporting year :	No of Shares	No of Shares
Equity shares as at the beginning of the year	5356800	5356800
Add:- Shares issued on Right Basis	535661	-
Equity Shares as at the end of the Year	5892461	5356800

b) Terms/rights attached to Equity shares

The company has only one class of Equity shares having a par value of Rs. 10/- (31st March 2021: Rs. 10 per share). Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March 2022, the amount of per share interim dividend reconise as distribution to Equity Shareholders is Rs. 4 per share (31st March 2021: Rs 2 per share) amounting to Rs. 235.70 Lacs (Previous year Rs. 107.14 Lacs)

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.

c) Details of Shareholders holding more than 5% Shares :		As at 31 st March, 2022	As at 31 st March, 2021
Name Of Shareholders			
Deepak Arneja	No of Shares	627990	570900
	(% of Shares held)	10.66	10.66
Ravinder Mohan Juneja	No of Shares	555885	505350
	(% of Shares held)	9.43	9.43
Anurag Arneja	No of Shares	638310	580100
	(% of Shares held)	10.83	10.83
Ranbir Singh Narang	No of Shares	471350	428500
	(% of Shares held)	8.00	8.00
Sudhir Arneja	No of Shares	431640	392400
	(% of Shares held)	7.33	7.33
Kanta Devi	No of Shares	945340	859400
	(% of Shares held)	16.04	16.04

* As per records of the Company including its register of members

**Notes To Standalone Financial Statements For The Year Ended
31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



d) Bonus Shares/Buy Back/Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31st March, 2022.

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

e) Issue of shares under Right issue:

The Company had issued and allotted 535661 fully paid-up equity shares of Face value of Rs.10/- each on right basis ('Rights Equity Shares') in the ratio of 1 equity share for every 10 equity shares held, to eligible equity shareholders at an issue price of Rs.90/- per Rights Equity share (including a premium of Rs.80/- per Right Equity share). In accordance with the terms of the issue, Rs.482,09,490 (Rs.Four Crores Eighty two Lakhs Nine Thousand Four Hundred & Ninety Only) received i.e., net proceeds from the rights issue including a premium amount of Rs.428,52,880 from the concerned allottees on application & shares were allotted.

The Board has approved the allotment of the equity shares to the eligible shareholders of the Company in their duly convened board meeting held on 23-02-2022.

f) Disclosure for shareholding of promoters

Shares held by promoters at the end of the year						% change during the year
S. No.	Promoter Name	No. of Shares as at 31 st March 2022	% of Total Shares	No. of Shares as at 31 st March 2021	% of Total shares	
1	Anurag Arneja	638310	10.83	580100	10.83	10.03%
2	Deepak Arneja	627990	10.66	570900	10.66	10.00%
3	Ravinder Mohan Juneja	555885	9.43	505350	9.43	10.00%
4	Ranbir Singh Narang	471350	8.00	428500	8.00	10.00%
5	Sudhir Arneja	431640	7.33	392400	7.33	10.00%

Note : 21 Other Equity

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Capital Reserve		
Balance as at the beginning/end of the year	5.74	5.74
Security Premium		
Balance as at the beginning of the year	0.00	0.00
Add: Premium on shares issued under Right issue	428.53	0.00
Balance as at the end of the year	428.53	0.00
General Reserve		
Balance as at the beginning/end of the year	230.00	230.00
Other Reserves (Sales tax exemption)		
Balance as at the beginning/end of the year	83.09	83.09
Retained Earnings		
Balance as at the beginning of the year	5758.80	5031.96
Add:- Profit for the year	1244.70	1038.06
Add:- Remeasurement gain of defined benefit obligations	(18.35)	(16.59)
Less:-Utilised during the year:		
Final dividend on equity shares	(160.70)	(294.62)
Balance as at the end of the year	6824.46	5758.81

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Equity Instruments through other Comprehensive income		
Balance as at the beginning of the year	7.85	3.73
Add:- Addition during the year	(0.26)	4.12
Balance as at the end of the year	7.59	7.85
Total in ₹	7579.42	6085.50

Note : 22 Financial Liabilities- Borrowings

Particulars	Current Portion		Non-Current Portion	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
<u>Secured</u>				
<u>Term Loan from Banks</u>				
- Foreign Currency Loan *	-	-	540.27	-
- Indian Rupees Loan**	-	-	449.00	-
Less:- Current Maturities of Long term borrowings	-	-	(80.62)	-
<u>Repayable on Demand</u>				
<u>Working Capital Loans</u>				
- Overdraft (Indian Rupees Loan)#	695.77	424.50	-	-
- Foreign Currency Loan (PCFC)#	1142.68	1086.07	-	-
Current Maturities of Long term borrowings	80.62	-	-	-
Total in ₹	1919.07	1510.57	908.65	0.00

(a) Note: *The foreign Currency Term Loan of Rs.540.27 Lakhs against sanctioned amount of Rs.1375.00 Lakhs (Previous Year balance NIL) are secured by Hypothecation of New Plant & Machinery Purchased & to be purchased and collateral secured by Equitable mortgage of factory land measuring 18997 sq. yards & building constructed thereon situated at 60th KM Stone, (now 65th KM Stone) Delhi- Rohtak Road, Kharawar village Dist. Rohtak, Haryana owned by Company and Freehold industrial land measuring 16849.25 Sq. Yards & building constructed thereon situated at old 60th KM stone, (now 65th KM Stone) Delhi-Rohtak Road, Gandhara village, Dist. Rohtak, Haryana, owned by Company and Equitable mortgage of freehold industrial vacant plot ad measuring 12150.00 Sq mtrs situated at Plot No 42,43,44, Sector 31B, HSIIDC, IMT Rohtak, Haryana in the name of the Company and personal guarantee of Mr. Deepak Arneja, Mr. Ravinder Mohan Juneja, Mr. Sudhir Arneja, Mr. Gagandeep SinghNarang, Mr. Anurag Arneja and Mrs. Kanta Devi.

**The Indian Rupees Term Loan of Rs. 449.00 Lakhs against sanctioned amount of Rs. 560 Lakhs (Previous Year balance NIL) for building construction and Rs.165.00 Lacs for purchase of New Plant & Machinery are secured by Building & Hypothecation of New Plant & Machinery Purchased & to be purchased and collateral secured by Equitable mortgage of factory land measuring 18997 sq. yards & building constructed thereon situated at 60th KM Stone, (now 65th KM Stone) Delhi- Rohtak Road, Kharawar village Dist. Rohtak, Haryana owned by Company and Freehold industrial land measuring 16849.25 Sq. Yards & building constructed thereon situated at old 60th KM stone, (now 65th KM Stone) Delhi-Rohtak Road, Gandhara village, Dist. Rohtak, Haryana, owned by Company and Equitable mortgage of freehold industrial vacant plot ad measuring 12150.00 Sq mtrs. situated at Plot No 42,43,44, Sector 31B, HSIIDC, IMT Rohtak.. Haryana in the name of the Company and personal guarantee of Mr. Deepak Arneja, Mr. Ravinder Mohan Juneja, Mr. Sudhir Arneja, Mr. Gagandeep Singh Narang, Mr. Anurag Arneja and Mrs. Kanta Devi.

#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

**Notes To Standalone Financial Statements For The Year Ended
31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



collateral secured by Equitable mortgage of factory land measuring 18997 sq. yards & building constructed thereon situated at 60th KM Stone, (now 65th KM Stone) Delhi- Rohtak Road, Kharawar village Dist. Rohtak, Haryana owned by M/S Mohindra Fasteners Limited and Freehold industrial land measuring 16849.25 Sq. Yards & building constructed thereon situated at old 60th KM stone, (now 65th KM Stone) Delhi-Rohtak Road, Gandhara village, Dist. Rohtak, Haryana, owned by M/S Mohindra Fasteners Limited and Equitable mortgage of freehold industrial vacant plot ad measuring 12150.00 Sq mtrs situated at Plot No 42,43,44, Sector 31B, HSIIDC, IMT Rohtak, Haryana in the name of M/S. Mohindra Fasteners and personal guarantee of Mr. Deepak Arneja, Mr. Ravinder Mohan Juneja, Mr. Sudhir Arneja, Mr. Gagandeep Singh Narang, Mr. Anurag Arneja and Mrs. Kanta Devi.

b) The repayment profile of the term loans from banks is set out as below:-

Category of Loan/Rate of interest	Amount	Installments starting on	Repayment mode	Installments ending on	Number of installments outstanding
Foreign Currency Loan/ 6 M LIBOR/alternate ref rate + 300 BPS	1375	Feb-23	Monthly	Jan-27	48
Indian Currency Loan/ 8.02%	560	Jan-23	Monthly	Dec-28	72
Indian Currency Loan/ 8.02%	165	Jan-23	Monthly	Dec-28	72

c) There has been no default in servicing of loan during the year

Note : 23 Non-current Financial Liabilities- Lease Liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Lease Liabilities	0.00	11.73
Total in ₹	0.00	11.73

Note : 24 Provisions

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Employee Benefit Obligations	58.85	25.70
Total in ₹	58.85	25.70

*Refer Note No. 43.1(b)(i) and (ii)

Note : 25 Deferred Tax Liabilities (Net)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deferred Tax Liability		
Property Plant and Equipment and intangible assets : impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	150.75	160.65
Gain / (Loss) on Foreign Exchange Fluctuation	4.28	4.28
Others	(0.77)	(0.62)
Gross Deferred tax liability	154.26	164.31
Deferred Tax Assets		
Employee Benefits	53.78	47.61
Impact of difference between Right-of-use assets and Lease Liabilities	0.61	0.79
Gross Deferred tax Assets	54.39	48.40
Net Deferred Tax Liability		
Total in ₹	99.87	115.91

MOHINDRA FASTENERS LIMITED
Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Movement in Deferred Tax Balances

Particulars	As at 01st April 2021	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income (OCI)	As at 31 st March 2022
Deferred Tax Liabilities				
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortization as per financials and depreciation as per tax	160.65	(9.90)	0.00	150.75
Gain / (Loss) on Foreign Exchange Fluctuation	4.28	0.00	0.00	4.28
Others	(0.62)	(0.14)	0.00	(0.77)
Sub-total (A)	164.31	(10.04)	0.00	154.26
Deferred Tax Assets				
Less: Deferred tax asset arising on account of:				
Employee Benefits	47.61	0.00	6.17	53.78
Impact of difference between Right-of-use assets and Lease Liabilities	0.79	(0.18)	0	0.61
Sub-total (B)	48.40	(0.18)	6.17	54.39
Net Deferred tax liabilities (A-B)	115.91	(9.86)	(6.17)	99.87

Particulars	As at 01st April 2020	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income(OCI)	As at 31 st March 2021
Deferred Tax Liabilities				
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortization as per financials and depreciation as per tax	194.17	(33.52)	0.00	160.65
Gain / (Loss) on Foreign Exchange Fluctuation	4.28	0.00	0.00	4.28
Others	1.42	(2.04)	0.00	(0.62)
Sub-total (A)	199.87	(35.56)	0.00	164.31
Deferred Tax Assets				
Less: Deferred tax asset arising on account of :				
Employee Benefits	42.10	(0.05)	5.57	47.61
Impact of difference between Right-of-use assets and Lease Liabilities	0.33	0.45	0.00	0.79
Sub-total (B)	42.43	0.40	5.57	48.40
Net Deferred tax liabilities (A-B)	157.44	(35.97)	(5.57)	115.91

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Note : 26 Current Financial Liabilities- Lease Liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Lease Liabilities	11.73	13.15
Total in ₹	11.73	13.15

Refer Note No.46

Note : 27 Current Financial Liabilities -Trade Payables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Total outstanding dues of Micro enterprises and Small enterprises	60.76	85.47
(B) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises	2473.39	1865.81
Total in ₹	2534.15	1951.27

(a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
_Principal Amount	60.76	85.47
_Interest Amount		
the amount of interest paid by the company in terms of section 16 of the MSMED 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 MSMED 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 MSMED 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 31st March, 2022.

Particulars	Outstanding for following periods from due date of payment*			
	Less than 1 Year	2-3 Years	More than 3 Years	Total
(i) MSME	60.76	-	-	60.76
(ii) Others	2473.39	-	-	2473.39
(iii) Disputed dues-MSME	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 28 Other Current Financial Liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest Accrued But Not Due on Borrowings	6.22	0.00
Interest Accrued & Due on Borrowings	0.00	0.00
*Unclaimed Dividend	18.49	17.41
Creditors for Capital Goods	33.63	7.36
Total in ₹	58.34	24.77

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

Note : 29 Other Current Liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Customer Advances	19.39	0.81
Statutory Dues Payable	29.47	19.20
Salary, Wages, Bonus & Allowances	198.08	167.42
Other Payables	0.27	0.00
Total in ₹	247.21	187.44

Note : 30 Provisions

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(a) Provision for employees benefits - Provision for Defined Benefit Obligations*	35.04	85.80
(b) Provisions - Others - Others	83.34	61.09
Total in ₹	118.38	146.89

*Refer Note No. 43(b)(i) Defined Benefits Plans-Gratuity and 43(b) (ii) Compensated Absences

Note : 31 Current Tax Liabilities (Net)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
- Provision for Income Tax (Net of Advance tax)	15.18	0.00
Total in ₹	15.18	0.00

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Note : 32 Revenue from Operations

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
a) Sale of Products		
Finished Product	13,218.86	10,183.61
	13,218.86	10,183.61
b) Other Operating Revenue		
Sale of Scrap	301.50	146.70
Export Incentives	160.32	271.32
	461.82	418.01
Total in ₹*	13,680.67	10,601.63

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
(a) Details of Finished Product sold		
High Tensile Fasteners	13218.86	10183.61
(b) Earning in foreign exchange		
Export of goods (FOB)	10075.25	7290.07

* Net of GST

Note : 33 Other Income

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Interest Income from		
-Fixed Deposits with banks	115.77	147.51
-Other	4.49	7.08
Other Non Operating Income		
Dividend Income on Long Term Investments	0.04	0.01
Exchange Rate Difference (Net)	155.46	45.45
Miscellaneous Income	5.42	36.86
Total in ₹	281.19	236.91

Note : 34 Cost of Material Consumed

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Raw Material at the Beginning of the Year	589.46	509.89
Add: Purchases during the year	5638.45	3827.65
Less: Raw Material at the End of the Year	799.95	589.46
Total in ₹	5427.97	3748.08

Note : 35 Change in Inventories of Finished Goods, Work in Progress & Stock in Trade

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Inventories at the Beginning of the Year		
Work In progress	278.65	293.25
Finished Goods	529.25	718.09
	807.91	1011.34
Inventories at the End of the Year		
Work In progress	716.95	278.65
Finished Goods	739.24	529.25
	1456.19	807.91
(Increase)/Decrease in Inventories	(648.29)	203.43

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 36 Employee Benefits Expense

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Salaries, Wages, Bonus & Allowances	2385.72	1853.44
Contribution to Provident Fund & Other Funds	86.66	70.54
Staff Welfare Expenses	43.82	37.58
Total in ₹	2516.20	1961.57

Disclosure as per IND AS-19 in respect or provision made towards various Employee benefits are made in Note 43

Note : 37 Finance Costs

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Interest Expenses on Borrowings	33.63	27.25
Interest on Lease Liabilities	2.74	3.99
Other Borrowing Costs	38.23	33.13
Total in ₹	74.60	64.37

Note : 38 Depreciation & Amortisation Expense

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Depreciation on Property, Plant & Equipment	224.32	302.79
Depreciation on Right-of-use-Assets	12.44	13.21
Amortisation on Other intangible assets	1.94	3.28
Total in ₹	238.70	319.28

Note : 39 Other Expenses

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Consumption of Stores & Spare Parts	1313.17	1086.33
Power & Fuel Consumed	897.78	618.35
Job Work Expenses	830.27	502.07
Packing Material Consumed	356.91	244.49
Repair & Maintenance		
a) Factory Building Maintenance	21.88	59.92
b) Repair & Maintenance to Plant & Machinery	126.71	105.01
Insurance Expenses	23.99	19.98
Rates, Taxes & Duties	5.43	10.39
Freight Outward	735.82	308.61
Rebate & Discount	93.43	31.52
Payment to Auditors*	5.05	4.89
Corporate Social Responsibility Expenditure (Refer Note No. 47)	25.25	22.13
Miscellaneous Expenses	234.83	147.61
Total in ₹	4670.54	3161.28

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



***Note :- Payment to Auditors #**

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
As Auditor:		
- Audit Fees	4.35	4.35
- Certification Fees for other services	0.50	0.50
- Reimbursement of Expenses	0.20	0.04
Total in ₹	5.05	4.89

Excluding Applicable taxes

Note : 40 Tax Expense

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Income tax recognised in Statement of Profit and Loss		
" Current Tax expense		
Current Year	439.95	378.43
Earlier Years	7.35	0.00
	447.30	378.43
Deferred Tax expense		
Origination and reversal of temporary differences	(9.86)	(35.96)
	(9.86)	(35.96)
Total in ₹	437.44	342.47

Reconcillation of effective tax rate

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Profit before tax	1682.14	1380.53
Applicable Tax rate*	25.168%	25.168%
Computed Tax Expense	423.36	347.45
Tax effect of:		
Depreciation & Amortisation expenses	10.53	28.10
Donation and CSR Expenses	6.43	5.62
Deduction under chapter VI A	0.00	(2.78)
Tax adjustment for earlier years	7.35	0.00
Others	(0.37)	0.05
Current Tax Provision (A)	447.30	378.43
Incremental Deferred tax liability/(Asset) on account of Property, Plant and Equipment and intangible assets	(9.90)	(33.52)
Incremental Deferred tax liability/(Asset) on account of other items	0.04	(2.45)
Deferred Tax Provision (B)	(9.86)	(35.97)
Tax expense recognised in Statement of Profit and Loss (A+B)	437.43	342.47
Effective Tax rate	26.004%	24.807%

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 41 Other Comprehensive Income (OCI)

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit	(24.52)	(22.15)
Income Tax effect on above	6.17	5.57
Net (loss)/gain on equity Instrument/Securities	(0.26)	4.12
Income Tax effect on above	0.00	0.00
Total in ₹	(18.61)	(12.46)

Note : 42 Earnings Per Equity Share

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Face Value per Equity share	10	10
Profit for the year attributable to equity shareholders (A)	1244.70	1038.06
Weighted average number of equity shares outstanding during the year (B)	5411100	5356800
Basic earnings per equity share (A/B)	23.00	19.38
Dilutive effect on profit (C)	-	-
Profit for the year attributable to equity shareholders (D)=(A)+(C)	1244.70	1038.06
Dilutive effect on weighted average number of equity shares outstanding during the year (E)		
Weighted average number of equity shares for computing Diluted EPS	5411100	5356800
Diluted earnings per equity share (F)=(B)+(E) (D/F)	23.00	19.38

Note : 43 (a) Employee benefits

Particulars	31 st March 2022		31 st March 2021	
	Current	Non-current	Current	Non-current
Gratuity	31.91	53.53	37.66	25.70
Compensated Absences	3.13	(38.47)	48.15	(26.09)
Total	35.04	15.06	85.81	(0.39)

43 (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 st March 2022	Year ended 31 st March 2021
Current service cost	26.68	23.46
Interest cost(net)	4.24	2.73
Expense recognized in the Income Statement as Employee Benefit Expense	30.92	26.19
Actuarial loss/(gain) recognized in Other Comprehensive Income (OCI)	24.52	22.15
Amount recognized in total Comprehensive Income	55.44	48.34

(ii) Change in the present value of obligation:

Description	Year ended 31 st March 2022	Year ended 31 st March 2021
Present value of defined benefit obligation as at the beginning of the year	278.58	234.99
Current service cost	26.68	23.46
Interest cost	18.64	15.89
Past service cost	-	-
Benefits paid	(37.48)	(18.27)
Actuarial loss	17.73	22.51
Present value of defined benefit obligation as at the end of the year	304.15	278.58

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

Description	Year ended 31 st March 2022	Year ended 31 st March 2021
Fair value of plan assets at the beginning of the year	215.22	194.66
Actual Return (net)	7.61	13.52
Contributions	33.36	25.31
Benefits paid	(37.48)	(18.27)
Actuarial gains/(losses)	-	-
Fair value of plan assets at the end of the year	218.71	215.22

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

Description	As at 31 st March 2022	As at 31 st March 2021
Present value of funded obligation as at the end of the year	304.15	278.58
Fair value of plan assets as at the end of the period funded status	218.71	215.22
Unfunded/funded net liability/(Asset) recognized in balance sheet	85.44	63.36

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

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

Description	As at 31 st March 2022	As at 31 st March 2021
Actuarial (gain)/loss from change in demographic assumption	-	(8.45)
Actuarial (gain)/loss from change in financial assumption	(14.30)	1.84
Actuarial (gain)/loss from experience adjustment	32.03	29.12
Total actuarial (gain)/loss	17.73	22.51

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

Description	As at 31 st March 2022	As at 31 st March 2021
Actuarial (gains)/losses arising from experience adjustments	17.73	22.51
Actuarial gain /(loss) for the year on Asset	6.79	(0.36)
Components of defined benefit costs recognised in other comprehensive income	24.52	22.15

(vii) Actuarial assumptions

Description	As at 31 st March 2022	As at 31 st March 2021
Discount rate	7.16%	6.69%
Future Salary Increase	6.00%	6.00%
Retirement age	60 years	60 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 36.77 lakh (31st March, 2021 is Rs.32.13 Lakh).

(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.

Description	As at 31 st March 2022	As at 31 st March 2021
Funds Managed by LIC	100%	100%

(ix) Sensitivity analysis for gratuity liability

Description	As at 31 st March 2022
Impact of change in discount rate	
Present value of obligation at the end of the year	304.15
- Impact due to increase of 0.50 %	(14.22)
- Impact due to decrease of 0.50 %	15.38
Impact of change in salary increase	
Present value of obligation at the end of the year	304.15
- Impact due to increase of 0.50 %	14.27
- Impact due to decrease of 0.50 %	(13.31)

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

(x) Maturity profile of defined benefit obligation

Description	As at 31 st March 2022
Within next 12 months	31.91
Between 1-5 years	46.54
Beyond 5 years	225.70

(xi) Weighted average duration of defined benefit obligation is 14.77 years as at 31st March 2022. (Previous year 15.22 years)

43(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	As at 31 st March 2022	As at 31 st March 2021
Current service cost	10.58	14.48
Interest cost	1.48	3.93
Actuarial loss/(gain) recognised during the year	(28.81)	12.77
Amount recognized in the statement of profit and loss	(16.75)	31.18

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

ii) Change in the present value of obligation:

Description	Year ended 31 st March 2022	Year ended 31 st March 2021
Present value of defined benefit obligation as at the beginning of the year	175.91	145.61
Current service cost	10.58	14.48
Interest cost	11.77	9.84
Past service cost	-	-
Benefits paid	(78.43)	(7.37)
Actuarial loss	(31.99)	13.35
Present value of defined benefit obligation as at the end of the year	87.84	175.91

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

Description	Year ended 31 st March 2022	Year ended 31 st March 2021
Fair value of plan assets at the beginning of the year	153.85	87.52
Actual Return (net)	7.12	6.49
Contributions	40.64	67.21
Benefits paid	(78.43)	(7.37)
Actuarial gains/(losses)	-	-
Fair value of plan assets at the end of the year	123.18	153.85

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

Description	As at 31 st March 2022	As at 31 st March 2021
Present value of funded obligation as at the end of the year	87.84	175.91
Fair value of plan assets as at the end of the period funded status	123.18	153.85
Unfunded/funded net liability/(Asset) recognized in balance sheet	(35.34)	22.06

v) Breakup of actuarial (gain)/loss:

Description	As at 31 st March 2022	As at 31 st March 2021
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	(5.14)	1.05
Actuarial (gain)/loss from experience adjustment	(26.85)	12.30
Total actuarial (gain)/loss	(31.99)	13.35

vi) Actuarial assumptions

Description	As at 31 st March 2022	As at 31 st March 2021
Discount rate	7.16%	6.69%
Future Salary Increase	6.00%	6.00%
Retirement age	60 years	60 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 10.67 lacs.

vii) Sensitivity analysis for Compensated Absences

Description	As at 31 st March 2022
Impact of change in discount rate	
Present value of obligation at the end of the year	87.84
- Impact due to increase of 0.50 %	(5.04)
- Impact due to decrease of 0.50 %	5.48
Impact of change in salary increase	
Present value of obligation at the end of the year	87.84
- Impact due to increase of 0.50 %	5.51
- Impact due to decrease of 0.50 %	5.11

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

(viii) Maturity profile of defined benefit obligation

Description	As at 31 st March 2022
Within next 12 months	3.13
Between 1-5 years	12.63
Beyond 5 years	72.08

**(ix) Weighted average duration of defined benefit obligation is 14.77 years as at 31st March 2022.
(Previous Year 15.22 Years)**

43 (b) (iii) Defined Contribution Plan

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees.

The provident fund is operated by the regional provident fund Commissioner and the Company is required to contribute a specific percentage of payroll cost to the retirement schemes to fund the benefits.

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

The expense recognized during the year towards defined contribution plan is INR 10.67 lacs (31st March 2021 -INR 17.37 lacs).

MOHINDRA FASTENERS LIMITED

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

1. Corporate Information

Mohindra Fasteners Limited (“MFL” or “the Company”) was incorporated on 10th January, 1995 under the erstwhile companies Act, 1956. The Equity shares of the company is listed in the Metropolitan Stock Exchange of India Limited (‘MSEI’) and not publicly traded.

The registered office of the Company is situated at 304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, Delhi-110087, INDIA. The company is engaged in the Manufacturing and sale of Fasteners.

2. Basis of Preparation

a) Application of new and revised Indian Accounting standards (Ind AS)

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.

b) Statement of Compliance

These standalone financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting standards (‘Ind AS’) as notified by the Ministry of corporate affairs under section 133 of Companies Act, 2013 (‘the Act’) read with the companies (Indian Accounting standards) Rules, 2015 and subsequent amendments thereto, and other provisions of the Act (to the extent notified and applicable).

The financial statements for the year ended 31st March 2022 (including comparatives) are duly approved and authorized for issue by the Board of directors at their board meeting held on 30th May, 2022.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:-

Items	Measurement basis
Certain financial assets and liabilities	Fair Value
Net defined benefit (assets)/liability	Fair value of planned assets less present value of defined benefit obligations

The methods used to measure fair values are discussed further in notes to financial statements.

d) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the company’s functional currency. All financial information presented in Indian Rupees has been rounded to the nearest Lakh (up to two decimals), except as stated otherwise.

e) Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

f) Measurement of fair values

A number of the Company’s accounting policies and disclosures require the measurement of fair values. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 1 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values (Refer Note-49 of the Standalone Financial statements).

g) Recent pronouncements

On March 23, 2022, the Ministry of Corporate Affairs (“MCA”) through notifications, amended the existing Ind AS. The same shall come into force from annual reporting period beginning on or after April 01, 2022. Key Amendments relating to the financial statements which are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment (PPE)
 - For items produced during testing/trial phase, clarification added that revenue generated out of the same shall not be recognised in Statement of profit and loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

3. Summary of accounting policies

a) Overall considerations

The financial statements have been prepared on going concern basis applying the significant accounting policies and measurement bases summarized below. These accounting policies have been used throughout all periods presented in the standalone financial statements, unless otherwise stated.

b) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. A performance obligation is a promise in a contract to transfer a distinct good (or a bundle of goods) to the customer and is the unit of account in Ind AS 115. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue, as or when, the performance obligation is satisfied. The Company recognizes revenue when it transfers control of a product to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes tax and duties collected on behalf of the government. The Company recognizes revenue from the following major sources:

i. Sale of Products:

Revenue from sale of products is measured based on the consideration specified in a contract with a customer. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts. The Company recognizes revenue when it transfers control over a product to a customer i.e. when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from customers exceed revenue recognized to date on a particular contract, any excess (a contract liability) is reported in the Balance Sheet under other current liabilities (see note 29).

Satisfaction of performance obligations

The Company’s revenue is derived from the single performance obligation to transfer primarily products under arrangements in which the transfer of control of the products and the fulfilment of the Company’s performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

MOHINDRA FASTENERS LIMITED

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company, generally the criteria to recognize revenue has been met when its products are delivered to its customers this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

Payment terms:-

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-90 days.

ii. **Other Income:**

Interest in comes from financial assets are recognized using the effective interest method.

Dividends income is recognized when the right to receive payment is established.

iii. **Other operating revenue :**

Income from export incentives viz. Duty Drawback and Merchandise Exports from India Scheme ('MEIS') are recognized on accrual basis.

b) **Property, plant and equipment**

i. **Initial recognition and measurement :**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an items of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

ii. **Subsequent costs:**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

iii. **Derecognition:**

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

iv. **Depreciation:**

Depreciation is recognised in statement of profit and loss on a straight-line basis over the useful lives of each part of an item of property, plant and equipment specified in schedule II to the Act.

Land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

c) Other Intangible assets

i. Recognition and measurement :

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.

ii. Derecognition :

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. 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.

iii. Amortisation :

Cost of software recognised as intangible asset, is amortised on straight line method over a period of legal right to use or 5 years, as estimated by the management.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

d) Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

e) Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition or construction of the qualifying asset. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

Borrowing costs also includes exchange differences to the extent regarded as an adjustment to interest costs.

f) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and

MOHINDRA FASTENERS LIMITED

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting periods may no longer exist or may have decreased.

g) Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of purchase consists of the purchase price including duties and taxes other than those subsequently recoverable by the enterprise from the taxing authorities, freight inwards and other expenditure directly attributable for its acquisition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Finished goods and stores, spares and consumables are valued at lower of cost and net realizable value and the comparison is made on an item-by-item basis.

The methods of determining cost of various categories of inventories are as under:

Nature of Inventories	Method of valuation
Raw materials	First in first out method
Stores and spares and consumables	First in first out method
Finished goods and work-in-progress	Raw material cost on first in first out method and includes conversion and other costs incurred in bringing the inventories to their present value and locations

Stock in transit is valued at lower of cost and net realizable value. Scrap is valued at estimated net realizable value.

h) Provisions and contingent liabilities and contingent assets

i. Provisions :

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

ii. Contingent Liabilities :

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the

control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

iii. **Contingent Assets :**

Contingent assets are neither recognised nor disclosed in the financial statements.

i) **Cash and cash equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to 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.

j) **Foreign currency transactions and translation:**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which it arises.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks in respect of its imports and exports. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to the statement of profit and loss.

k) **Employee benefits**

i. **Short term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees. The Company pays fixed contribution to government administered provident fund scheme at predetermined rates. The contributions to the fund for the year are recognised as expense and are charged to the statement of profit and loss.

iii. **Defined benefit plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity is in the nature of defined benefit plans.

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Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

The Company's net obligation in respect of defined benefit plan is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognized past service costs. Any actuarial gains or losses are recognised in other comprehensive income in the period in which they arise.

iv. Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long-term employee benefit. The employees can carry forward a portion of the unutilized accrued compensated absences i.e., Maximum 90 days and utilize it in future service periods or receive cash compensation on termination of employment. The benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

I) Leases

Company as a lessee

The Company's lease asset classes primarily consist of property leases. The Company assesses whether a contract 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.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

m) Taxes on Income:

Income-tax expense comprises current and deferred tax. Current tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

n) Earnings per Share

Basic earnings per share is computed 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), as applicable.

Diluted earnings per share is computed by dividing 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.

o) Equity Investment

Equity investments in joint venture are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

i. Initial recognition and measurement :

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

ii. Subsequent measurement :

a. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

b. Financial assets carried at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets carried at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through the statement of profit and loss.

iii. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iv. Impairment of financial assets

In accordance with IndAS109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Trade receivables using the lifetime expected credit loss model.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Financial Liabilities

i. Initial recognition and measurement :

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

ii. Subsequent measurement :

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

iii. Derecognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 and loss.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

4. Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

In order to enhance understanding of the financial statements information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is as under:

i. Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilized.

ii. Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

iii. Contingent liabilities

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement (Refer Note No-44).

iv. Impairment of financial assets

At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

v. Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (Refer Note No-43).

vi. Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

MOHINDRA FASTENERS LIMITED

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

vii. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease (Refer Note No.7,23,26,46)

viii. Fair value Measurements

Management applies valuation techniques to determine fair value of equity shares (where active market quotes are not available) and stock option. This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of equity shares or stock options.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note : 44 Contingent Liabilities (to the extent not provided for), Contingent Assets and Commitments:

a) Capital Commitment:

- i. Estimated amount of contracts remaining to be executed on the capital account and not provided for in the books of account (net of capital advances) Rs 1216.12 Lakh (Rs Nil as at 31st March, 2021).

b) Contingent Liabilities and other commitment

(i) Contingent Liabilities

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.

(ii) Other Commitment:-

Export Promotion Capital Goods (EPCG) License-Export obligations

The company availed EPCG Scheme via License No. 3331000616 dated 18/02/2022 for import of Capital Goods and total export obligation under EPCG is FOB Rs. 3152.28 Lakh equivalent to USD 42.83 Lakh out of which nil Export Obligation has been fulfilled till 31st March, 2022 and said export obligation to be fulfilled in subsequent 6 years i.e., till 18/02/2028.

c) Contingent Assets-Nil

Note : 45 Related party disclosures as per Ind AS 24

In accordance with the requirement of Indian Accounting standard (Ind AS-24) " Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:-

I. Name of the related parties and description of relationships :

a) Parties where control exists: NIL

b) Other parties with whom the company has entered into transactions during the year:-

i) List of Key Management Personnel

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

ii) Relatives 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

iii) Joint Venture Company - KK Mohindra Fastenings (P) Ltd.

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(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Details of Related Party Transactions during the year ended 31st March, 2022:

Nature of Transaction	Key Management Personnel &/ Close family member of KMP	Total
Investments in Equity shares including share application money		
KK Mohindra Fastenings (P) Ltd.	102.90 (0.00)	102.90 (0.00)
Remuneration	194.82* (162.45)	194.82* (162.45)
Dividend Paid	52.20 (93.14)	52.20 (93.14)
Sitting Fees	2.00 (1.20)	2.00 (1.20)
Balance as at the 31st March, 2022:		
Remuneration Payable	16.24 (14.36)	16.24 (14.36)
Investments		
KK Mohindra Fastenings (P) Ltd.	102.90 (0.00)	102.90 (0.00)

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

Disclosure in respect of Related Party Transactions during the year:

Particulars	Relationship	2021-22	2020-21
a) Remuneration:			
1. Deepak Arneja	Key Management Personnel	50.52 *	43.68
2. Ravinder Mohan Juneja	Key Management Personnel	50.52 *	40.18
3. Sudhir Arneja	Relative of Key Management Personnel	26.40 *	23.59
4. Dheeraj Juneja	Relative of Key Management Personnel	27.54 *	22.93
5. Sunil Mishra	Chief Financial Officer	30.60 *	24.54
6. Nidhi Pathak	Company Secretary	9.24 *	7.53

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



b) Sitting Fees:			
1. Gagandeep Singh Narang	Key Management Personnel	0.50	0.30
2. Vinod Kumar	Key Management Personnel	0.70	0.40
3. Ved Prakash Chaudhary	Key Management Personnel	0.60	0.40
4. Shamoli Thakur	Key Management Personnel	0.20	0.10
c) Dividend Paid:			
1. Deepak Arneja	Key Management Personnel	17.13	31.40
2. Ravinder Mohan Juneja	Key Management Personnel	15.16	27.79
3. Gagandeep Singh Narang	Key Management Personnel	3.35	03.59
4. Vinod Kumar	Key Management Personnel	0.06	0.11
5. Sunil Mishra	Key Management Personnel	0.02	0.03
6. Dheeraj Juneja	Relative of Key Management Personnel	4.71	8.64
7. Sudhir Arneja	Relative of Key Management Personnel	11.77	21.58

*The above figure of Remuneration does not include provisions/contributions towards gratuity and compensated absences for all directors for the year 2021-22, as such provisions/ contributions are for the company as a whole.

Terms and conditions of transactions with related parties:

- Director's remuneration for the year 2021-2022 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.
- All outstanding balances are unsecured and payable in cash

Note : 46 Lease Liability Disclosures as lessee

The Company has taken one of its factory premises on lease at Rohtak. The Lease Agreement is valid till 31st December, 2022.

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

Lease liabilities are presented in balance sheet as follows:-

Particulars	As at 31 st March 2022	As at 31 st March 2021
Current	11.73	13.15
Non-current	0.00	11.73
Total	11.73	24.88

A. The following are amounts recognised in statement of profit and loss:

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Depreciation expense of right-of-use assets	12.44	13.21
Interest expense on lease liabilities	2.74	3.99
Rent expense*	20.26	17.65
Total	35.44	34.85

*Rent expense for short-term leases and not included in the measurement of lease liability.

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

B. The right-of-use assets relate to lease of building and are as follows:

Particulars	Amount
Balance as at 1 st March 2020	34.97
Less:- Amortization expenses charged on right-of-use assets	13.21
Balance as at 31 st March 2021	21.76
Less:- Amortization expenses charged on right-of-use assets	12.44
Balance as at 31 st March 2022	9.33

The company has leases for its Building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The company classifies its right-of-use assets in a consistent manner in the balance sheet separately from other assets.

The table below describes the nature of the Company leasing activities by type of right-of-use asset recognised on balance sheet:

Particulars	No. of right-of-use-assets leased	Range of remaining terms (in years)	No. of leases with extension options/ No of leases with termination options
Building	1	Less than 1 year	1

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The Company does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the financial statements.

The expense relating to payments not included in the measurement of the lease liability for short-term leases is Rs. 20.26 Lakh (31st March 2021 – Rs 17.65 Lakh).

At 31st March 2022 and 31st March 2021, the Company is not committed to any liability towards short-term leases.

Total cash outflow for leases for the year ended 31st March 2022 was Rs. 36.15 Lakh (31st March 2021 - Rs. 33.05 Lakh) including amount paid towards the aforementioned short-term leases.

Note : 47 Corporate Social Responsibility (CSR)

The Company's CSR Programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of the Act. The CSR Committee has been formed by the Companies as per the Act.

Following disclosure with regard to CSR activities: -

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
a) Amount required to be spent by the Company during the year	25.25	22.13
b) Amount spent during the year on:		
i) Construction/ acquisition of any asset	0.00	0.00
ii) On purpose other than i) above		
a. animals welfare and birds welfare	25.25	22.13
c) Shortfall at the end of the year	0.00	0.00
d) Total of previous years shortfall	0.00	0.00
e) Reason for shortfall	NA	NA
f) Details of related party transactions	NA	NA
g) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:		
Opening balance	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-
Closing balance	-	-

Note : 48 Capital management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an appropriate capital structure of debt and equity.

The management assesses the capital requirements in order to maintain an efficient overall financing structure. 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. The Company is not subject to externally imposed capital requirements.

The Company monitors capital on the basis of its gearing ratio which is net debt divided by total equity. Net debt comprises of non-current and current borrowings less cash and cash equivalents. Equity includes equity share capital and other equity that are managed as capital. The gearing ratio at the end of the reporting periods are as follows:

Particulars	31 st March, 2022	31 st March, 2021
Total borrowings	2827.72	1510.57
Less: Cash and cash equivalents	1983.27	2183.73
Net debt	844.45	(673.16)
Total equity	8168.67	6621.18
Net debt to equity ratio	0.10	(0.10)

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 49 Fair Value Measurements**I. Financial instruments****(a) Financial instruments by category**

Investment in equity instruments (except investment in joint venture company) are measured at fair value through other comprehensive income. Other than the aforementioned, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings are measured at amortised cost.

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the Reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

As at 31st March 2022

Particulars	Carrying Amount					Fair Value			
	FVOCI	Mandatorily at FVTPL	Other financial asset-amortised cost	Other financial liabilities-amortised cost	Total Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments	8.98	--	--	--	8.98	8.98	--	--	8.98
Financial assets not measured at fair value									
Non-current Investments	--	--	111.88	--	111.88	--	--	--	0
Other financial assets	--	--	181.83	--	181.83	--	--	--	0
Trade receivables	--	--	3088.92	--	3088.92	--	--	--	0
Cash and cash equivalents	--	--	1983.27	--	1983.27	--	--	--	0
Other bank balance	--	--	18.49	--	18.49	--	--	--	0
Total	8.98	0	5384.39	0	5393.37	8.98	0	0	8.98

**Notes To Standalone Financial Statements For The Year Ended
31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Financial liabilities not measured at fair value									
Borrowings	--	--	--	2827.72	2827.72	--	--	--	0
Lease liabilities	--	--	--	11.73	11.73	--	--	--	0
Trade payables	--	--	--	2534.35	2534.35	--	--	--	0
Other financial liabilities	--	--	--	58.34	58.34	--	--	--	0
Total	0	0	0	5432.14	5432.14	0	0	0	0

As at 31st March 2021

Particulars	Carrying Amount					Fair Value			
	FVOCI	Mandatorily at FVTPL	Other financial asset-amortised cost	Other financial liabilities-amortised cost	Total Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments	9.24	--	--	--	9.24	9.24	--	--	9.24
Financial assets not measured at fair value									
Non-current Investments	--	--	0.00	--	0	--	--	--	0
Other financial assets	--	--	511.80	--	511.8	--	--	--	0
Trade receivables	--	--	2374.2	--	2374.2	--	--	--	0
Cash and cash equivalents	--	--	2183.73	--	2183.73	--	--	--	0
Other bank balance	--	--	17.41	--	17.41	--	--	--	0
Total	9.24	0	5087.14	0	5096.38	9.24	0	0	9.24

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Financial liabilities not measured at fair value									
Borrowings	--	--	--	1510.57	1510.57	--	--	--	0
Lease liabilities	--	--	--	24.88	24.88	--	--	--	0
Trade payables	--	--	--	1951.28	1951.28	--	--	--	0
Other financial liabilities	--	--	--	24.77	24.77	--	--	--	0
Total	0	0	0	3511.50	3511.50	0	0	0	0

The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended 31st March 2022 and 31st March 2021

Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique	Significant Unobservable inputs	Inter relationship between significant unobservable inputs and fair value
Investments in quoted Equity shares measured at fair value through Other comprehensive income	The fair values of investment in Equity shares is determined using quoted price as at the balance sheet date.	Not applicable	Not applicable

Fair value of financial assets and liabilities measured at amortized cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are not measured at fair value, the carrying amounts are considered equal to their respective fair values.

II. Financial risk management

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade payables and other payables. The Company's principal financial assets include trade and other receivables, investments and cash and bank balances that it derives directly from its operations.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk"

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

a) 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, 2022, the top 10 customers accounted for approximately 58% 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:

Particulars of Trade Receivable	As at 31 st March, 2022	As at 31 st March, 2021
More than 180 days	77.92	121.72
Not More than 180 days	2991.04	2252.49
Total (Refer Note. 10 & 14)	3068.96	2374.21

b) 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 31.03.2022. 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 and financial liabilities except short term borrowing repayable on demand:

Year ended 31 st March, 2022	Less than one year	More than one year
Interest-bearing borrowing except short term borrowings	120.06	236.80
Other financial liabilities	58.34	Nil
Lease Liabilities	11.73	Nil
Trade Payables	2534.16	Nil

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Year ended 31 st 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

c) 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.

i) 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.

ii) 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.

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.

(Figure in lacs)

Particulars	EURO	USD	GBP	CNY
Import Trade Payables	-	0.39	-	0.30
	(0.10)	(2.27)	-	-
Export Trade receivables	16.81	8.73	1.22	-
	(11.85)	(5.39)	(0.50)	-
Working Loan (PCFC)	11.65	1.73	0.34	-
	(9.55)	(2.33)	(0.87)	-
Term Loan (including interest)	-	7.28	-	-
	-	-	-	-

d) 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. 8.98 Lacs** (Rs. 9.24 Lacs as at 31st March, 2021).

e) 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.

f) 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, 2022. 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, 2022 as compared to previous year ended March 31, 2021.

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.

Note : 50 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- (iii) (A) The Company has not been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(B) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - 2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iv) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- (vii) Transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 are as follows:-

MOHINDRA FASTENERS LIMITED

Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Name of Struck off Company	Nature of transactions	As at March 31, 2022	As at March 31, 2021	Relationship with the struck off company, if any, to be disclosed
Innovative Heat Handling Pvt. Ltd.	Shares held by struck off company	0.20	0.20	Shareholder

Note : 51 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note : 52 Following Ratios to be disclosed: -

Ratios	Numerator		Denominator		Ratios	Variation with preceding year	Comments if variation is above 25%
	Formula	Amount	Formula	Amount			
Current Ratio	Current Assets	9,145.56	Current Liabilities	4,904.06	1.86	(2.38%)	N.A.
		(7,324.37)		(3,834.10)	(1.91)		
Debt-Equity Ratio	Total Debt	2,827.72	Shareholder's equity	8,168.67	0.35	51.73%	Note below
		(1,510.57)		(6,621.18)	(0.23)		
Debt Service Coverage Ratio	Earnings available for debt services	-	Debt Service	-	N.A.	N.A.	N.A.
		-		-	N.A.		
Return on Equity ratio	Net profit after tax	1,244.70	Average shareholder's equity	7,394.93	17%	1.43%	N.A.
		(1,038.06)		(6,255.70)	17%		
Inventory Turnover ratio	Cost of goods sold	7,280.03	Average inventory	2,301.75	3.16	5.97%	N.A.
		(5,784.39)		(1,938.11)	(2.98)		
Trade receivable turnover ratio	Net credit sales	13,520.35	Average account receivables	2,731.56	4.95	(-9.98%)	N.A.
		(10,330.31)		(1,878.71)	(5.50)		
Trade payable turnover ratio	Net Credit purchases	8,138.80	Average account payables	2,242.71	3.63	18.11%	N.A.
		(5,660.53)		(1,842.32)	(3.07)		

**Notes To Standalone Financial Statements For The Year Ended
31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Net Capital turnover ratio	Net Sales	13,680.67	Working Capital	4,241.51	3.23	6.19%	N.A.
		(10,601.63)		(3,490.27)	(3.04)		
Net Profit ratio	Net Profit	1,244.70	Net Sales	13,680.67	9%	(7.08%)	N.A.
		(1,038.06)		(10,601.63)	9%		
Return on capital employed	Earnings before interest & taxes	1,756.75	Capital employed	11,107.99	16%	(9.45%)	N.A.
		(1,444.90)		(8,272.54)	17%		
Return on investment	Income generated from invested funds	N.A.	Average invested funds in treasury instruments	N.A.	N.A.	N.A.	N.A.

Note: variation in the ratio due to availed of fresh term loan by the company during the FY 2021-22.

*The Figures shown above in () are belongs to previous Year

Note : 53 Dividends

Dividends paid during the year ended March 31, 2022 include an amount of INR 3.00 per equity share towards final dividend for the year ended March 31, 2021. Dividends paid during the year ended March 31, 2021 include an amount of INR 3.50 per equity share towards final dividend for the year ended March 31, 2020 and an amount of INR 2.00 per equity share towards interim dividends for the year ended March 31, 2021.

Dividends declared by the Company are based on the profit available for distribution. On May 30, 2022, the Board of Directors of the Company have declared an interim dividend of INR 4.00 per share in respect of the year ended March 31, 2022, which would result in a cash outflow of approximately INR 2.35 crores.

Note : 54 Disclosures pursuant to Ind AS 115, Revenue from Contracts with Customers, are as follows:

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography, type and timing of recognition.

Particulars	31 st March, 2022	31 st March, 2021
Revenue by geography	Fasteners	Fasteners
Domestic	2999.25	2798.13
Export	10219.61	7385.48
Customer wise		
Related party	0.00	0.00
Non-related party	13218.86	10183.61
Revenue by time		
Revenue recognized at point in time	13218.86	10183.61

MOHINDRA FASTENERS LIMITED**Notes To Standalone Financial Statements For The Year Ended 31st March, 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

(b) Revenue recognized in relation to contract liabilities

Ind AS 115 requires disclosure of 'revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognized in the reporting period from performance obligations satisfied (or partially satisfied) in previous period. Same has been disclosed as below:

Description	31 st March, 2022	31 st March, 2021
Amounts included in contract liabilities at the beginning of the year	19.39	0.81
Performance obligations satisfied in previous years	0.81	18.53

(c) Assets and liabilities related to contracts with customers

Description	As at 31 st March, 2022		As at 31 st March, 2021	
	Non-current	Current	Non-current	Current
Contract assets related to sale of goods	0.00	0.00	0.00	0.00
Contract liabilities related to sale of goods	0.00	0.00	0.00	0.00
Advance from customers	0.00	19.39	0.00	0.81
Security deposit	0.00	0.00	0.00	0.00

(d) Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

Description	31 st March, 2022	31 st March, 2021
Opening balance of contract liabilities	0.81	18.53
Amount of revenue recognized against opening contract liabilities	0.81	18.53
Addition in balance of contract liabilities for current year	19.39	0.81
Closing balance of contract liabilities	19.39	0.81

There have been no significant changes in contract assets/liabilities during the year.

(e) Reconciliation of revenue recognized in Statement of Profit and Loss with Contract price

Description	31 st March, 2022	31 st March, 2021
Contract Price	13218.05	10165.08
Less: Discounts and freight	0.00	0.00
Addition in balance of contract liabilities for current year	0.81	18.53
Revenue from operations as per Statement of Profit and Loss	13218.86	10183.61

(f) Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily hi-tensile fasteners under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. In case of the Company's operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

(g) Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

(h) Variable considerations associated with such sales

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognizes revenue for the amounts it ultimately expects to realise from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

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 Vivek Gupta

(Partner)

Membership No. F-094319

Deepak Arneja

(Managing Director & CEO)

DIN:- 00006112

Ravinder Mohan Juneja

(Managing Director)

DIN:- 00006496

Place: New Delhi

Date: 30/05/2022

Sunil Mishra

(Chief Financial Officer)

Nidhi Pathak

(Company Secretary)

(M. No.: 31973)



INDEPENDENT AUDITOR'S REPORT

To The Members of Mohindra Fasteners Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of Mohindra Fasteners Limited, (“the Company”) and its joint venture, as listed in **Annexure-“A”**, which comprise the Consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, (including Other Comprehensive Income), consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the joint venture the aforesaid consolidated 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 Consolidated State of affairs of the Company and its joint venture as at March 31, 2022, their consolidated Profit and including other comprehensive income, Consolidated Cash Flows and the Consolidated Changes in Equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the other Matter section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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

We draw attention to Note 49(f) of the Consolidated 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the joint venture were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Consolidated Financial statements for the year ended 31st March 2022 (Contd.)

We have determined the matter described below to be the Key audit matter to be communicated in our report.

Revenue recognition See Note 32 to the Consolidated financial statements:

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



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Consolidated Financial statements for the year ended 31st March 2022 (Contd.)

Provision for taxation, litigation and other significant provisions

See Note 18, 25, 30 and 31 to Consolidated the financial Statements:

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



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Consolidated Financial statements for the year ended 31st March 2022 (Contd.)

Assessment of contingent liabilities relating to litigations and claims

See Note 44 to the Consolidated financial statements:

S.NO.	KEY AUDIT MATTERS	AUDITOR'S RESPONSE
3.	<p>The Company is periodically scrutiny the matters relating to direct tax and indirect tax further, potential exposures may also arise from general legal proceedings, environmental issues etc. in the normal course of business.</p> <p>Assessment of contingent liabilities disclosure requires Management to make judgments and estimates in relation to the issues and exposures. Whether the liability is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as liability, is inherently subjective.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none">• We tested the effectiveness of controls around the recording and re-assessment of contingent liabilities.• We used our subject matter experts to assess the value of material contingent liabilities in light of the nature of exposures, applicable regulations and related correspondence with the authorities.• We discussed the status and potential exposures in respect of significant litigation and claims with the Company's internal legal team including their views on the likely outcome of each litigation and claim and the magnitude of potential exposure and sighted any relevant opinions given by the Company's advisors.• We assessed the adequacy of disclosures made.• We discussed the status in respect of significant provisions with the Company's internal tax and legal team.• We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Consolidated Financial statements for the year ended 31st March 2022 (Contd.)

inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Company's Board of Directors. 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 Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and Consolidated Cash Flows of the Company including its joint venture in accordance the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Company and its joint venture are responsible for 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the company and of its joint venture are responsible for assessing the ability of the company and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company and of its joint venture or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the financial reporting process of the companies and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated financial statements.

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

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



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Consolidated Financial statements for the year ended 31st March 2022 (Contd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 ability of the company and its joint venture 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 and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the Company and of its joint venture, to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 Consolidated 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.

Other Matter

The Consolidated financial statements includes the company's share of net loss (including other comprehensive income) of Rs. 8.22 Lakh for the year ended 31st March 2022, as considered in the consolidated financial statements, in respect of the joint venture, whose financial statement has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of the joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Joint venture, are based solely on the reports of the other auditors.



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Consolidated Financial statements for the year ended 31st March 2022 (Contd.)

Report on other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in other matter paragraph on separate financial statements of the Joint venture, we report that the company paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we also report that the provisions of section 197 read with Schedule V to the Act are not applicable to the joint venture Company, since the said company is not a public company as defined under section 2(71) of the Act.
2. As required by section 143(3) of the Act, based on our audit and on the Consideration of the reports of the other auditors on separate financial statement and other financial information of the joint venture, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b. In our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated 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 and taken on record by the Board of directors of the company and the reports of the statutory auditors of its joint venture company none of the directors of the company and joint venture company are disqualified as on March 31, 2022 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 with reference to financial statement of the Company and Joint venture Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure -"B"**.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the joint venture:
 - i. The Consolidated financial Statements disclose the impact of pending litigations on the Consolidated Financial position of the company and its joint venture as detailed in note no.44 to the consolidated financial statements.
 - ii. The Company and its Joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2022.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and Joint Venture Company during the year ended 31st March, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or its joint venture to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing



Independent Auditor's Report to the members of Mohindra Fasteners Limited on the Consolidated Financial statements for the year ended 31st March 2022 (Contd.)

- or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or its joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company or its joint venture from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company or its joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
- v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013. Further, no dividend has been declared or paid by the Joint venture.

Annexure—"A"

List of Entities included in the Consolidated Financial statements

- a) KK Mohindra Fastenings Private Limited, Joint venture

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

Place: Delhi
Date: 30.05.2022
UDIN: 22094319AKVBWF9995

CA Vivek Gupta
Partner
Membership No. F094319



Annexure-“B” to the Independent Auditor’s Report of even date to the members of Mohindra Fasteners Limited on the Consolidated financial statements for the year ended 31st March 2022

Independent Auditor’s Report on the Internal Financial Controls with reference to Consolidated Financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Mohindra Fasteners Limited, (“the Company”) and its joint venture as at and for the year ended March 31,2022 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and Joint Venture Company, are 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

The audit of internal financial controls with reference to financial statements of the aforementioned Joint venture company, which is a company covered under the Act, and reporting under section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July, 2017. Consequently, Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the company, 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;

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



Annexure-“B” to the Independent Auditor’s Report of even date to the members of Mohindra Fasteners Limited on the Consolidated financial statements for the year ended 31st March 2022 (Contd.)

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, 2022, 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: 30.05.2022
UDIN: 22094319AKVBWF9995

CA Vivek Gupta
Partner
Membership No. F094319

MOHINDRA FASTENERS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 st March, 2022	As at 31 st March, 2021
I. ASSETS			
(1) Non-Current Assets			
(i) Property, Plant & Equipment	5	2745.85	-
(ii) Capital Work in Progress	6	1324.00	-
(iii) Right-of-use Assets	7	9.33	-
(iv) Other Intangible Assets	8	5.81	-
(v) Financial Assets			
(a) Investments	9	103.66	-
(b) Trade Receivables	10	19.96	-
(c) Other Financial Assets	11	105.12	-
(vi) Other Non Current Assets	12	672.59	-
Total non-current Assets		4986.32	-
(2) Current Assets			
(i) Inventories	13	2808.11	-
(ii) Financial Assets			
(a) Trade Receivables	14	3068.96	-
(b) Cash and Cash Equivalents	15	1983.27	-
(c) Bank Balance other than (b) above	16	18.49	-
(d) Other financial assets	17	76.71	-
(iii) Current Tax Assets (Net)	18	0.00	-
(iv) Other Current Assets	19	1190.02	-
Total current Assets		9145.56	-
Total Assets		14131.88	-
II. EQUITY AND LIABILITIES			
(1) Equity			
(i) Equity Share Capital	20	589.25	-
(ii) Other Equity	21	7571.20	-
Total Equity		8160.45	-
Liabilities			
(2) Non-Current Liabilities			
(i) Financial Liabilities			
(a) Borrowings	22	908.65	-
(ai) Lease Liabilities	23	0.00	-
(ii) Provisions	24	58.85	-
(iii) Deferred Tax Liabilities (Net)	25	99.87	-
Total non-current liabilities		1067.37	-
(3) Current Liabilities			
(i) Financial Liabilities			
(a) Borrowings	22	1919.07	-
(ai) Lease Liabilities	26	11.73	-
(b) Trade Payables:-	27		
(A) Total outstanding dues of Micro enterprises and small enterprises		60.76	-
(B) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises		2473.39	-
(c) Other Financial Liabilities	28	58.34	-
(ii) Other Current Liabilities	29	247.21	-
(iii) Provisions	30	118.38	-
(iv) Current Tax Liabilities (Net)	31	15.18	-
Total Current liabilities		4904.06	-
Total Liabilities		5971.43	-
Total Equity & Liabilities		14131.88	-

Significant Accounting policies 3 and 4

Notes 1 to 57 form an integral part of these Consolidated financial statements

As per our Report of even date attached

For B.L. Khandelwal & Co.

Chartered Accountants

Firm Reg. No.: 000998N

CA Vivek Gupta
(Partner)
Membership No. 094319

For & on Behalf of the Board of Directors of Mohindra Fasteners Limited

Deepak Arneja
(Managing Director & CEO)
DIN: 00006112

Ravinder Mohan Juneja
(Managing Director)
DIN: 00006496

Place: New Delhi
Date: 30/05/2022

Sunil Mishra
(Chief Financial Officer)

Nidhi Pathak
(Company Secretary) (M.No. 31973)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS OF THE YEAR
ENDED 31st MARCH, 2022**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Particulars	Notes	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Income:			
Revenue from operations	32	13,680.67	-
Other Income	33	281.19	-
Total Income		13,961.86	-
Expenses:			
Cost of Materials Consumed	34	5,427.97	-
Changes in inventories of Finished Goods, Work-In-Progress & Stock in Trade	35	(648.29)	-
Employee Benefits Expense	36	2,516.20	-
Finance Costs	37	74.60	-
Depreciation and Amortization Expense	38	238.70	-
Other Expenses	39	4,670.54	-
Total Expenses		12,279.72	-
Profit before exceptional items and share of Loss of investment accounted for using equity method and tax		1,682.14	-
Exceptional items		-	-
Profit before share of Loss of investment accounted for using equity method and tax		1,682.14	-
Share of (Loss) of Investment accounted for using equity method		(8.22)	-
Profit before tax		1,673.92	-
Tax expense:	40		
Current Tax		447.30	-
Deferred Tax		(9.86)	-
Total Tax Expense		437.44	-
Profit for the year		1,236.48	-
Other comprehensive income	41		
Items that will not be reclassified to profit or loss			
(a) Re-measurement of the defined benefit plans		(24.52)	-
(b) Income tax effect on (a) above		6.17	-
(c) Fair value changes on Equity instruments through Other Comprehensive Income		(0.26)	-
(d) Income tax effect on (c) above		-	-
Total Other comprehensive income/(Loss) for the year (Net of Tax)		(18.61)	-
Total comprehensive income for the year		1,217.87	-
Earnings per equity share	42		
Basic (in ₹)		23	-
Diluted (in ₹)		23	-

Significant Accounting policies 3 and 4
Notes 1 to 57 form an integral part of these Consolidated financial statements

As per our Report of even date attached
For B.L. Khandelwal & Co.
Chartered Accountants
Firm Reg. No.: 000998N

For & on Behalf of the Board of Directors of Mohindra Fasteners Limited

CA Vivek Gupta
(Partner)
Membership No. 094319

Deepak Arneja
(Managing Director & CEO)
DIN: 00006112

Ravinder Mohan Juneja
(Managing Director)
DIN: 00006496

Place: New Delhi
Date: 30/05/2022

Sunil Mishra
(Chief Financial Officer)

Nidhi Pathak
(Company Secretary) (M.No. 31973)

MOHINDRA FASTENERS LIMITED

Notes To Consolidated Financial Statements For The Year Ended 31st March 2022

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

(1) Current reporting period

As at 01st April, 2021	"Changes in equity share capital due to prior period errors"	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the Current year	As at 31 st March, 2022
535.68	0.00		53.57	589.25

(2) Previous reporting period

As at 01st April, 2020	"Changes in equity share capital due to prior period errors"	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the Current year	As at 31 st March, 2021
-	-		-	-

B. Other Equity

Particulars	Reserves and Surplus				Items of Other		Total
	Capital Reserve	Securities Premium	General reserve	Other Reserves	Retained Earnings	Items that will not be reclassified to Profit and loss	
Balance as at 1 April, 2020	-	-	-	-	-	-	-
Total Comprehensive Income For the year	-	-	-	-	-	-	-
Balance as at 31st March, 2021	5.74	0.00	230.00	83.09	5,829.01	7.85	6,085.50
Total Comprehensive Income For the year	0.00	0	0.00	0.00	1,236.48	(0.26)	1,217.87
on Right issue	0.00	428.53	0.00	0.00	0.00	0.00	428.53
Less: Dividend	0.00	0	0.00	0.00	(160.70)	0.00	(160.70)
Balance as at 31st March, 2022	5.74	428.53	230.00	83.09	6,904.79	7.59	7,571.20

Notes 1 to 57 form an integral part of these Consolidated financial statements

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH, 2022**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
A. Cash Flow from Operating Activities		
Net Profit before tax	1682.14	-
Adjustment for:-		
Depreciation and Amortization Expense	238.70	-
Loss/(Profit) on disposal of Property, Plant & Equipment (Net)	0.00	-
Share of (Loss) of investment accounted for using equity method	(8.22)	-
Remeasurement of Defined Benefit Plans	(24.52)	-
Finance Costs	74.60	-
Interest Income	(120.26)	-
Dividend Income	(0.04)	-
Operating Profit before Working Capital Changes	1842.40	
(Increase)/Decrease in Inventories	(1012.72)	-
(Increase) in other current assets	(1009.71)	-
Decrease/ (Increase) in Non-current Assets	299.69	-
Increase in Trade payables	582.88	-
Increase/ (decrease) in other current liabilities	57.52	-
Increase/ (decrease) in Non-current liabilities	33.14	-
Cash generated from Operations	793.20	-
Income taxes Paid (Net)	(424.31)	-
Net Cash from Operating Activities (A)	368.89	-
B. Cash Flow from Investing Activities		
Purchase of Property, plant & equipment (including Capital-work-in-progress and Payment for capital advances) and intangible assets	(2146.02)	-
Proceeds from disposal of Property, Plant & Equipment	0.00	-
Investment in Equity Instruments	(94.42)	-
Interest Income	120.26	-
Dividend Income	0.04	-
Net Cash (used in)/from Investing Activities (B)	(2120.14)	-
C. Cash Flow from Financing Activities		
Proceeds from issue of Equity Shares capital	482.09	-
Proceeds of Long Term Borrowings (Net)	908.65	-
Proceeds of Short term Borrowings (Net)	408.51	-
Interest Paid	(71.87)	-
Dividends Paid	(160.70)	-
Payment of Lease Liabilities	(15.89)	-
Net Cash from/ (used in) Financing Activities (C)	1550.79	-
Net Cash flows during the year (A+B+C)	(200.46)	-
Cash and Cash Equivalents at the Beginning of the Year	2183.73	-
Cash and Cash Equivalents at the End of the Year*	1983.27	-
Components of cash and cash equivalents (refer Note 15)		
Balance with scheduled Banks in current Accounts	19.25	-
Cash on Hand	2.38	-
Balance with banks in deposit accounts with original maturity upto three months	1961.64	-
	1983.27	-

MOHINDRA FASTENERS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Lease Liabilities	Non-current borrowings including current liabilities of long term borrowings	Current borrowings	Dividend
Opening balance as on 1 April 2020	-	-	-	-
Add: Non Cash Charges due to				
-Recognition of lease liabilities	-	-	-	-
-Interest Expenses	-	-	-	-
-Interest Capitalised	-	-	-	-
-Fare Value Changes	-	-	-	-
-Interim Dividend	-	-	-	-
Add: Cash Inflows during the year				
-Proceeds from non-current borrowings	-	-	-	-
-Proceeds from current borrowings	-	-	-	-
Less: Cash Outflow during the year				
-Repayment of non-current borrowings	-	-	-	-
-Repayment of current borrowings	-	-	-	-
-Repayment of lease liabilities	-	-	-	-
-Interest Paid	-	-	-	-
-Interim Dividend paid including dividend distribution tax	-	-	-	-
Closing balance as on 31st March 2021	24.89	-	1,510.57	-
Add: Non cash changes due to				
-Recognition of lease liabilities	-	-	-	-
-Interest Expenses	2.74	-	71.86	-
-Fare Value Changes	-	-	-	-
-Interim Dividend	-	-	-	160.70
Less: Non cash changes due to				
-Adjustment in lease liabilities on modification	-	-	-	-
Add: Cash Inflows during the year				
-Proceeds from non-current borrowings	-	989.27	327.89	-
-Proceeds from current borrowings	-	-	-	-
Less: Cash Outflow during the year				
-Repayment of non-current borrowings	-	-	-	-
-Repayment of current borrowings	-	-	-	-
-Repayment of lease liabilities	(15.89)	-	-	-
-Interest Paid	-	-	(71.86)	-
-Interim Dividend paid including dividend distribution tax	-	-	-	(160.70)
Closing balance as on 31st March 2022	11.73	989.27	1838.45	0

The Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in Ind As -7 "statement of cash flows"

Notes 1 to 57 form an integral part of these Consolidated financial statements

As per our Report of even date attached

For B.L. Khandelwal & Co.

Chartered Accountants

Firm Reg. No.: 000998N

CA Vivek Gupta

(Partner)

Membership No. 094319

For & on Behalf of the Board of Directors of Mohindra Fasteners Limited

Deepak Arneja

(Managing Director & CEO)

DIN: 00006112

Ravinder Mohan Juneja

(Managing Director)

DIN: 00006496

Place: New Delhi

Date: 30/05/2022

Sunil Mishra

(Chief Financial Officer)

Nidhi Pathak

(Company Secretary) (M.No. 31973)

Note : 5 Property, Plant & Equipment

Particulars	Gross Block			Depreciation Charge for the year	Disposals/ Adjustments	Net Block	
	As at 01-04-2021	Additions	As at 31-03-2022			As at 31-03-2022	As at 31-03-2021
Land	873.21	49.40	922.61	0.00	0.00	0.00	922.61
Buildings	754.18	101.43	855.61	22.22	0.00	388.24	467.37
Plant & Equipment	5598.30	135.50	5733.80	187.02	0.00	4437.65	1296.15
Furniture & Fixtures	88.95	0.26	89.20	2.98	0.00	78.45	10.76
Vehicles	42.01	5.80	47.80	4.46	0.00	22.70	25.10
Office Equipments	81.74	4.67	86.41	4.09	0.00	75.92	10.49
Computers and Data Processing Units	116.83	8.16	124.99	3.55	0.00	111.62	13.37
Total	7555.21	305.22	7860.43	224.32	0.00	5114.58	2745.85
(Previous Year Figures)	-	-	-	-	-	-	-

Note: 6 Capital Work in Progress

Particulars	As at 01-04-2021	Addition during the year	Capitalisation during the year	As at 31-03-2022	As at 31-03-2021
	Capital Work-in-progress	48.08	1275.92	0.00	1324.00
Sub Total (C)	48.08	1275.92	0.00	1324.00	-
(Previous Year Figures)	-	-	-	-	-
Capital-Work-n-progress (CWIP)					
(a) Capital-Work-n-progress (CWIP) ageing schedule					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	1275.92	48.08	0.00	0.00	1324.00
Projects temporarily suspended	NIL	NIL	NIL	NIL	NIL
(b) For Capital-work-progress, whose completion is overdue or has exceeded its cost compared to its original plan,					
Particulars	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	43.28	0.00	0.00	0.00	43.28
Plant & Machinery	1172.84	0.00	0.00	0.00	1172.84

MOHINDRA FASTENERS LIMITED

Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 7 Right-of-use-assets

Particulars	Gross Block			Depreciation on Right-of-use Assets			Net Block		
	As at 01-04-2021	Addition	Disposals	As at 31-03-2022	As at 01-04-2021	Addition	Disposal	As at 31-03-2022	As at 31-03-2021
Building	46.63	0.00	0.00	46.63	24.87	12.44	0.00	37.31	9.33
Total	46.63	0.00	0.00	46.63	24.87	12.44	0.00	37.31	9.33
(Previous Year Figures)	-	-	-	-	-	-	-	-	-

Note : 8 Other Intangible Assets

Particulars	Gross Block			Amortisation			Net Block		
	As at 01-04-2021	Additions	Disposals/adjustments	As at 31-03-2022	As at 01-04-2021	Charge for the year	Disposals	As at 31-03-2022	As at 31-03-2021
Computer Software	51.40	0.75	0.00	52.15	44.40	1.94	0.00	46.34	5.81
Total	51.40	0.75	0.00	52.15	44.40	1.94	0.00	46.34	5.81
(Previous Year Figures)	-	-	-	-	-	-	-	-	-

Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Note : 9 Non-Current Financial Assets- Investments

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Quoted Investments		
Investment in Equity Instruments (Carried at Fair value through Other Comprehensive Income)		
1800 Equity Shares of Rs. 10/- each fully paid up in Bank of India	0.94	-
3000 Equity Shares of Rs. 2/- each fully paid up in Sterling Tools Limited	4.60	-
400 Equity Shares of Rs. 1/- each fully paid up in Sundram Fasteners Limited	3.42	-
150 Equity Shares of Rs. 10/- each fully paid up in Lakshmi Precision Screws Ltd.	0.01	-
Total (Quoted)	8.98	-
UnQuoted Investments		
Investment in Equity Instrument in Joint Venture (Carried at cost)		
49000 Equity shares of Rs. 10 each fully paid up in K K Mohindra Fastenings (P) Ltd. (Note-a)	4.90	-
Share Application Money (Pending Allotment)	98.00	-
	102.90	-
Less:- Share of (Loss) of Investment accounted for using equity method	(8.22)	-
Total (Unquoted)	94.68	-
Total in ₹	103.66	-
Aggregate Amount of Quoted Investments	8.98	-
Aggregate Amount of UnQuoted Investments	94.68	-
Other Information		
Quoted Investments :		
Market Value	8.98	-
Note:-		
(a) Proportion of ownership interest in joint venture is stated as follows:-		

Name of Jointly Controlled entity	Place of Business	% of ownership Interest		Accounting Method
		AS at 31 st March 2022	AS at 31 st March 2021	
KK Mohindra Fastenings (P) Ltd.	India	49	N.A.	Equity Method in accordance with Ind AS 28 "Investments in Associate and Joint Ventures"

Equity Investments in Joint Venture are measured at cost as per the Provisions of IND AS-27 on "Separate Financial Statements"

Note : 10 Non- Current Financial Assets -Trade Receivables

Market Value	As at 31 st March, 2022	As at 31 st March, 2021
Trade Receivables - Credit impaired	19.96	-
Total in ₹	19.96	-

Particulars	Outstanding for following periods from due date of payment*					
	Less than 6 Months	6 Months- 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	6.25	13.71	19.96

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 11 Non- Current Financial Assets - Other Financial Assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Security Deposits	105.12	-
Bank Deposit with more than 12 months maturity on account of Bank Deposit as Margin Money Deposited*	0.00	-
Total in ₹	105.12	-

*Margin Money held with banks against opening of Letter of Credit (LC) including interest

Note : 12 Other Non Current Assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured and Considered good)		
Capital Advance	564.12	-
Advances Other than Capital Advances		
- Deposit with statutory authority under protest	38.35	-
- Balance with Revenue Authorities	32.23	-
Others :-		
-Compensated Absences	37.89	-
-Others	0.00	-
Total in ₹	672.59	-

Note : 13 Inventories

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Valued at Lower of Cost or Net realisable Value)		
Raw Material	799.95	-
Work-in-Progress	716.95	-
Finished Goods	736.79	-
Consumables, Stores, Tools, Spares & Packing Material	551.96	-
(includes goods in transit of Rs.51,567/-)		
Scrap	2.46	-
Total in ₹	2808.11	-

Note : 14 Current Financial Assets - Trade Receivables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade receivable Considered good-secured	3068.96	-
Trade receivable Considered good-Unsecured	-	-
Trade receivable which having significant increase in credit risk	-	-
Trade receivables-credit impaired	-	-
Total in ₹	3068.96	-

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment*					
	Less than 6 Months	6 Months-1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade receivables – considered good	2991.04	31.71	15.96	8.84	21.41	3068.96
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note : 15 Current Financial Assets - Cash and Cash Equivalents

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Balances with Banks (Current Account)	19.26	-
Cash on Hand	2.37	-
Balance with banks in deposit accounts with original maturity upto three months#	1961.64	-
Total in ₹	1983.27	-

Balance with banks in deposit accounts includes Rs.205.62 lacs held with banks against opening of Letter of Credit (LC)

Note : 16 Current Financial Assets - Bank balance other than Cash & Cash Equivalents

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unpaid Dividend Account (Earmarked Balances with Banks)*	18.49	-
Total in ₹	18.49	-

* Not due for deposits in the Investor education and protection fund

Note : 17 Current Financial Assets - Others

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured and Considered good)		
Security Deposits	2.43	-
Interest Accrued But Not Due on Fixed deposit with bank	74.28	-
Total in ₹	76.71	-

Note : 18 Current Tax Assets (Net)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Advance Payment of Taxes/TDS (Net of provision)	0.00	-
Total in ₹	0.00	-

Note : 19 Other Current Assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Advance other than capital advances:-		
Prepaid Expenses	22.29	-
Advance to Suppliers	18.44	-
Balance With Revenue Authorities	1130.96	-
Advance to Others	11.66	-
Receivable from employees	6.67	-
Total in ₹	1190.02	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 20 Equity Share Capital

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
AUTHORISED SHARE CAPITAL :		
12000000 Equity Shares of Rs. 10/- each.	1200.00	-
5500000 Non Convertible Cumulative Preference Shares of Rs. 10/- each.	550.00	-
	1750.00	-
ISSUED CAPITAL		
6006961 Equity Shares of Rs. 10/- each, fully paid up	600.70	-
SUBSCRIBED AND PAID UP CAPITAL		
5892461 Equity Shares of Rs. 10/- each fully paid up	589.25	-
Total in ₹	589.25	-

a) The Reconciliation of Equity Shares at the beginning & at the end of the reporting year :	No of Shares	No of Shares
Equity shares as at the beginning of the year	5356800	-
Add:- Shares issued on Right Basis	535661	-
Equity Shares as at the end of the Year	5892461	-

b) Terms/rights attached to Equity shares

The company has only one class of Equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March 2022, the amount of per share interim dividend reconise as distribution to Equity Shareholders is Rs. 4 per share amounting to Rs. 235.70 Lakh

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.

c) Details of Shareholders holding more than 5% Shares :	As at 31 st March, 2022	As at 31 st March, 2021
Name Of Shareholders		
Deepak Arneja		
No of Shares	627990	-
(% of Shares held)	10.66	
Ravinder Mohan Juneja		
No of Shares	555885	-
(% of Shares held)	9.43	
Anurag Arneja		
No of Shares	638310	-
(% of Shares held)	10.83	
Ranbir Singh Narang		
No of Shares	471350	-
(% of Shares held)	8.00	
Sudhir Arneja		
No of Shares	431640	-
(% of Shares held)	7.33	
Kanta Devi		
No of Shares	945340	-
(% of Shares held)	16.04	

* As per records of the Company including its register of members

d) Bonus Shares/Buy Back/Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31st March, 2022.

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

e) Issue of shares under Right issue:

The Company had issued and allotted 535661 fully paid-up equity shares of Face value of Rs.10/- each on right basis ('Right Equity Shares') in the ratio of 1 equity share for every 10 equity shares held, to eligible equity shareholders at an issue price of Rs.90/- per Right Equity share (including a premium of Rs.80/- per Right Equity share). In accordance with the terms of the issue, Rs.482.09 Lakh received i.e., net proceeds from the rights issue including a premium amount of Rs.428.53 Lakh from the concerned allottees on application & shares were allotted.

The Board has approved the allotment of the equity shares to the eligible shareholders of the Company in their duly convened board meeting held on 23-02-2022.

f) Disclosures for shareholding of promoters

Shares held by promoters at the end of the year						% change during the year
S. No.	Promoter Name	No. of Shares as at 31 st Mar 2022	% of Total Shares	No. of Shares as at 31 st Mar 2021	% of Total shares	
1	Anurag Arneja	638310	10.83	-	-	-
2	Deepak Arneja	627990	10.66	-	-	-
3	Ravinder Mohan Juneja	555885	9.43	-	-	-
4	Ranbir Singh Narang	471350	8.00	-	-	-
5	Sudhir Arneja	431640	7.33	-	-	-

Note : 21 Other Equity

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Capital Reserve		
Balance as at the end of the year	5.74	-
Security Premium		
Balance as at the beginning of the year	0.00	-
Add: Premium on shares issued under Right issue	428.53	-
Balance as at the end of the year	428.53	-
General Reserve		
Balance as at the end of the year	230.00	-
Other Reserves (Sales tax exemption)		
Balance as at the end of the year	83.09	-
Retained Earnings		
Balance as at the beginning of the year	5758.80	-
Add:- Profit for the year	1236.48	-
Add:- Remeasurement gain of defined benefit obligations	(18.35)	-
Less:-Utilised during the year		
Final dividend on equity shares	(160.70)	-
Balance as at the end of the year	6816.23	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Equity Instruments through other Comprehensive income		
Balance as at the beginning of the year	7.85	-
Add:- Addition during the year	(0.26)	-
Balance as at the end of the year	7.59	-
Total	7571.20	-

Note : 22 Financial Liabilities- Borrowings

Particulars	Current Portion		Non Current Portion	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
Secured				
<u>Term Loan from Banks</u>				
- Foreign Currency Loan *	-	-	540.27	-
- Indian Rupees Loan**	-	-	449.00	-
Less:- Current Maturities of Long term borrowings	-	-	(80.62)	-
<u>Repayable on Demand</u>				
<u>Working Capital Loans</u>				
- Overdraft (Indian Rupees Loan)#	695.77	-	-	-
- Foreign Currency Loan (PCFC)#	1142.68	-	-	-
Current Maturities of Long term borrowings	80.62	-	-	-
Total in ₹	1919.07	-	908.65	-

a) **Note:** *The foreign Currency Term Loan of Rs.540.27 Lakhs against sanctioned amount of Rs.1375.00 Lakhs are secured by Hypothecation of New Plant & Machinery Purchased & to be purchased and collateral secured by Equitable mortgage of factory land measuring 18997 sq. yards & building constructed thereon situated at 60th KM Stone, (now 65th KM Stone) Delhi- Rohtak Road, Kharawar village Dist. Rohtak, Haryana owned by Company and Freehold industrial land measuring 16849.25 Sq. Yards & building constructed thereon situated at old 60th KM stone, (now 65th KM Stone) Delhi-Rohtak Road, Gandhara village, Dist. Rohtak, Haryana, owned by Company and Equitable mortgage of freehold industrial vacant plot ad measuring 12150.00 Sq mtrs situated at Plot No 42,43,44, Sector 31B, HSIIDC, IMT Rohtak, Haryana in the name of The Company and personal guarantee of Mr. Deepak Arneja, Mr. Ravinder Mohan Juneja, Mr. Sudhir Arneja, Mr. Gagandeep SinghNarang, Mr. Anurag Arneja and Mrs. Kanta Devi.

**The Indian Rupees Term Loan of Rs. 449.00 Lakhs against sanctioned amount of Rs. 560 Lakhs for building construction and Rs.165.00 Lacs for purchase of New Plant & Machinery are secured by Building & Hypothecation of New Plant & Machinery Purchased & to be purchased and collateral secured by Equitable mortgage of factory land measuring 18997 sq. yards & building constructed thereon situated at 60th KM Stone, (now 65th KM Stone) Delhi- Rohtak Road, Kharawar village Dist. Rohtak, Haryana owned by Company and Freehold industrial land measuring 16849.25 Sq. Yards & building constructed thereon situated at old 60th KM stone, (now 65th KM Stone) Delhi-Rohtak Road, Gandhara village, Dist. Rohtak, Haryana, owned by Company and Equitable mortgage of freehold industrial vacant plot ad measuring 12150.00 Sq mtrs. situated at Plot No 42,43,44, Sector 31B, HSIIDC, IMT Rohtak.. Haryana in the name of the Company and personal guarantee of Mr. Deepak Arneja, Mr. Ravinder Mohan Juneja, Mr. Sudhir Arneja, Mr. Gagandeep Singh Narang, Mr. Anurag Arneja and Mrs. Kanta Devi.

#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

collateral secured by Equitable mortgage of factory land measuring 18997 sq. yards & building constructed thereon situated at 60th KM Stone, (now 65th KM Stone) Delhi- Rohtak Road, Kharawar village Dist. Rohtak, Haryana owned by M/S Mohindra Fasteners Limited and Freehold industrial land measuring 16849.25 Sq. Yards & building constructed thereon situated at old 60th KM stone, (now 65th KM Stone) Delhi-Rohtak Road, Gandhara village, Dist. Rohtak, Haryana, owned by M/S Mohindra Fasteners Limited and Equitable mortgage of freehold industrial vacant plot ad measuring 12150.00 Sq mtrs situated at Plot No 42,43,44, Sector 31B, HSIIDC, IMT Rohtak.. Haryana in the name of M/S. Mohindra Fasteners and personal guarantee of Mr. Deepak Arneja, Mr. Ravinder Mohan Juneja, Mr. Sudhir Arneja, Mr. Gagandeep Singh Narang, Mr. Anurag Arneja and Mrs. Kanta Devi.

b) The repayment profile of the term loans from banks is set out as below:-

Category of Loan/Rate of interest	Amount	Installments starting on	Repayment mode	Installments ending on	Number of installments outstanding
Foreign Currency Loan/ 6 M LIBOR/alternate ref rate + 300 BPS	1375	Feb-23	Monthly	Jan-27	48
Indian Currency Loan/ 8.02%	560	Jan-23	Monthly	Dec-28	72
Indian Currency Loan/ 8.02%	165	Jan-23	Monthly	Dec-28	72

c) There has been no default is servicing of loan during the year

Note : 23 Non-current Financial Liabilities- Lease Liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Lease Liabilities	0.00	0.00
Total in ₹	0.00	0.00

Note : 24 Provisions

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Employee Benefit Obligations	58.85	-
Total in ₹	58.85	-

*Refer Note No. 43.1(b)(i) and (ii)

Note : 25 Deferred Tax Liabilities (Net)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deferred Tax Liability		
Property Plant and Equipment and intangible assets : impact of difference between depreciation as per Income-tax Act and depreciation/amortisation as per Companies Act	150.75	-
Gain / (Loss) on Foreign Exchange Fluctuation	4.28	-
Others	(0.77)	-
Gross Deferred tax liability	154.26	-
Deferred tax Assets		
Employee Benefits	53.78	-
Impact of difference between Right-of-use assets and Lease Liabilities	0.61	-
Gross Deferred tax Assets	54.39	-
Net Deferred Tax Liability		
Total in ₹	99.87	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Movement in Deferred Tax Balances

Particulars	As at 01st April 2021	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income (OCI)	As at 31 st March 2022
Deferred Tax Liabilities				
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortization as per financials and depreciation as per tax	160.65	(9.90)	0.00	150.75
Gain / (Loss) on Foreign Exchange Fluctuation	4.28	0.00	0.00	4.28
Others	(0.62)	(0.14)	0.00	(0.77)
Sub-total (A)	164.31	(10.04)	0.00	154.26
Deferred Tax Assets				
Less: Deferred tax asset arising on account of:				
Employee Benefits	47.61	0.00	6.17	53.78
Impact of difference between Right-of-use assets and Lease Liabilities	0.79	(0.18)	0	0.61
Sub-total (B)	48.40	(0.18)	6.17	54.39
Net Deferred tax liabilities (A-B)	115.91	(9.86)	(6.17)	99.87

Particulars	As at 01st April 2020	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income(OCI)	As at 31 st March 2021
Deferred Tax Liabilities				
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortization as per financials and depreciation as per tax	-	-	-	-
Gain / (Loss) on Foreign Exchange Fluctuation	-	-	-	-
Others	-	-	-	-
Sub-total (A)	-	-	-	-
Deferred Tax Assets				
Less: Deferred tax asset arising on account of :				
Employee Benefits	-	-	-	-
Impact of difference between Right-of-use assets and Lease Liabilities	-	-	-	-
Sub-total (B)	-	-	-	-
Net Deferred tax liabilities (A-B)	-	-	-	-

Note : 26 Current Financial Liabilities- Lease Liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Lease Liabilities	11.73	-
Total in ₹	11.73	-

Refer Note No.46

Note : 27 Current Financial Liabilities -Trade Payables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(A) Total outstanding dues of Micro enterprises and Small enterprises	60.76	-
(B) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises	2473.39	-
Total in ₹	2534.15	-

(a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is given below.

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
_Principal Amount	60.76	-
_Interest Amount	-	-
the amount of interest paid by the company in terms of section 16 of the MSMED 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 MSMED 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 MSMED 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 31st March, 2022.

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment*			
	Less than 1 Year	2-3 Years	More than 3 Years	Total
(i) MSME	60.76	-	-	60.76
(ii) Others	2473.39	-	-	2473.39
(iii) Disputed dues-MSME	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 28 Other Current Financial Liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest Accrued But Not Due on Borrowings	6.22	-
Interest Accrued & Due on Borrowings	0.00	-
*Unclaimed Dividend	18.49	-
Creditors for Capital Goods	33.63	-
Total in ₹	58.34	-

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

Note : 29 Other Current Liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Customer Advances	19.39	-
Statutory Dues Payable	29.47	-
Salary, Wages, Bonus & Allowances	198.08	-
Other Payables	0.27	-
Total in ₹	247.21	-

Note : 30 Provisions

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(a) Provision for employees benefits -Provision for Defined Benefit Obligations*	35.04	-
(b) Provisions - Others - Others	83.34	-
Total in ₹	118.38	-

*Refer Note No. 43(b)(i) Defined Benefits Plans-Gratuity and 43(b) (ii) Compensated Absences

Note : 31 Current Tax Liabilities (Net)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
- Provision for Income Tax (Net of Advance tax)	15.18	-
Total in ₹	15.18	-

Note : 32 Revenue from Operations

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
a) Sale of Products		
Finished Product	13,218.86	-
	13,218.86	-
b) Other Operating Revenue		
Sale of Scrap	301.50	-
Export Incentives	160.32	-
	461.82	-
Total in ₹ *	13,680.67	-

Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)



Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
(a) Details of Finished Product sold High Tensile Fasteners	13218.86	-
(b) Earning in foreign exchange Export of goods (FOB)	10075.25	-

* Net of GST

Note : 33 Other Income

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Interest Income from		
-Fixed Deposits with banks	115.77	-
-Other	4.49	-
Other Non Operating Income		
Dividend Income on Long Term Investments	0.04	-
Exchange Rate Difference (Net)	155.46	-
Miscellaneous Income	5.42	-
Total in ₹	281.19	-

Note : 34 Cost of Material Consumed

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Raw Material at the Beginning of the Year	589.46	-
Add: Purchases during the year	5638.45	-
Less: Raw Material at the End of the Year	799.95	-
Total in ₹	5427.97	-

Note : 35 Change in Inventories of Finished Goods, Work in Progress & Stock in Trade

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Inventories at the Beginning of the Year		
Work In progress	278.65	-
Finished Goods	529.25	-
	807.91	-
Inventories at the End of the Year		
Work In progress	716.95	-
Finished Goods	739.24	-
	1456.19	-
(Increase)/Decrease in Inventories	(648.29)	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 36 Employee Benefits Expense

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Salaries, Wages, Bonus & Allowances	2385.72	-
Contribution to Provident Fund & Other Funds	86.66	-
Staff Welfare Expenses	43.82	-
Total in ₹	2516.20	-

Disclosure as per IND AS-19 in respect or provision made towards various Employee benefits are made in Note 43

Note : 37 Finance Costs

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Interest Expenses on Borrowings	33.63	-
Interest on Lease Liabilities	2.74	-
Other Borrowing Costs	38.23	-
Total in ₹	74.60	-

Note : 38 Depreciation & Amortisation Expense

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Depreciation on Property, Plant & Equipment	224.32	-
Depreciation on Right-of-use-Assets	12.44	-
Amortisation on Other intangible assets	1.94	-
Total in ₹	238.70	-

Note : 39 Other Expenses

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Consumption of Stores & Spare Parts	1313.17	-
Power & Fuel Consumed	897.78	-
Job Work Expenses	830.27	-
Packing Material Consumed	356.91	-
Repair & Maintenance		
a) Factory Building Maintenance	21.88	-
b) Repair & Maintenance to Plant & Machinery	126.71	-
Insurance Expenses	23.99	-
Rates, Taxes & Duties	5.43	-
Freight Outward	735.82	-
Rebate & Discount	93.43	-
Payment to Auditors*	5.05	-
Corporate Social Responsibility Expenditure (Refer Note No. 47)	25.25	-
Miscellaneous Expenses	234.83	-
Total in ₹	4670.54	-

***Note :- Payment to Auditors #**

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
As Auditor:		
- Audit Fees	4.35	-
- Certification Fees for other services	0.50	-
- Reimbursement of Expenses	0.20	-
Total in ₹	5.05	-

Excluding Applicable taxes

Note : 40 Tax Expense

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Income tax recognised in Statement of Profit and Loss		
" Current Tax expense		
Current Year	439.95	-
Earlier Years	7.35	-
	447.30	-
Deferred Tax expense		
Origination and reversal of temporary differences	(9.86)	-
	(9.86)	-
Total in ₹	437.44	-

Reconcillation of effective tax rate

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Profit before tax	1673.92	-
Applicable Tax rate*	25.168%	-
Computed Tax Expense	421.29	-
Tax effect of:		
Depreciation & Amortisation expenses	10.53	-
Donation and CSR Expenses	6.43	-
Deduction under chapter VI A	0.00	-
Tax adjustment for earlier years	7.35	-
Others	1.69	-
Current Tax Provision (A)	447.30	-
Incremental Deferred tax liability/(Asset) on account of Property, Plant and Equipment and intangible assets	(9.90)	-
Incremental Deferred tax liability/(Asset) on account of other items	0.04	-
Deferred Tax Provision (B)	(9.86)	-
Tax expense recognised in Statement of Profit and Loss (A+B)	437.42	-
Effective Tax rate	26.132%	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 41 Other Comprehensive Income (OCI)

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit	(24.52)	-
Income Tax effect on above	6.17	-
Net (loss)/gain on equity Instrument/Securities	(0.26)	-
Income Tax effect on above	0.00	-
Total in ₹	(18.61)	-

Note : 42 Earnings Per Equity Share

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Face Value per Equity share	10	-
Profit for the year attributable to equity shareholders (A)	1236.48	-
Weighted average number of equity shares outstanding during the year (B)	5411100	-
Basic earnings per equity share (A/B)	22.85	-
Dilutive effect on profit (C)	-	-
Profit for the year attributable to equity shareholders (D)=(A)+(C)	1236.48	-
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)	5411100	-
Diluted earnings per equity share (D/F)	23	-

Note : 43 (a) Employee benefits

Particulars	31 st March 2022		31 st March 2021	
	Current	Non-current	Current	Non-current
Gratuity	31.91	53.53	-	-
Compensated Absences	3.13	(38.47)	-	-
Total in ₹	35.04	15.06	-	-

43 (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 st March 2022	Year ended 31 st March 2021
Current service cost	26.68	-
Interest cost(net)	4.24	-
Expense recognized in the Income Statement as Employee Benefit Expense	30.92	-
Actuarial loss/(gain) recognized in Other Comprehensive Income (OCI)	24.52	-
Amount recognized in total Comprehensive Income	55.44	-

(ii) Change in the present value of obligation:

Description	Year ended 31 st March 2022	Year ended 31 st March 2021
Present value of defined benefit obligation as at the beginning of the year	-	-
Current service cost	26.68	-
Interest cost	18.64	-
Past service cost	-	-
Benefits paid	(37.48)	-
Actuarial loss	17.73	-
Present value of defined benefit obligation as at the end of the year	25.57	-

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

Description	Year ended 31 st March 2022	Year ended 31 st March 2021
Fair value of plan assets at the beginning of the year	-	-
Actual Return (net)	7.61	-
Contributions	33.36	-
Benefits paid	(37.48)	-
Actuarial gains/(losses)	-	-
Fair value of plan assets at the end of the year	3.49	-

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

Description	As at 31 st March 2022	As at 31 st March 2021
Present value of funded obligation as at the end of the year	25.57	-
Fair value of plan assets as at the end of the period funded status	3.49	-
Unfunded/funded net liability/(Asset) recognized in balance sheet	22.08	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

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

Description	As at 31 st March 2022	As at 31 st March 2021
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	(14.30)	-
Actuarial (gain)/loss from experience adjustment	32.03	-
Total actuarial (gain)/loss	17.73	-

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

Description	As at 31 st March 2022	As at 31 st March 2021
Actuarial (gains)/losses arising from experience adjustments	17.73	-
Actuarial gain /(loss) for the year on Asset	6.79	-
Components of defined benefit costs recognised in other comprehensive income	24.52	-

(vii) Actuarial assumptions

Description	As at 31 st March 2022	As at 31 st March 2021
Discount rate	7.16%	-
Future Salary Increase	6.00%	-
Retirement age	60 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 36.77 lakh

(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.

Description	As at 31 st March 2022	As at 31 st March 2021
Funds Managed by LIC	100%	-

(ix) Sensitivity analysis for gratuity liability

Description	As at 31 st March 2022
Impact of change in discount rate	
Present value of obligation at the end of the year	304.15
- Impact due to increase of 0.50 %	(14.22)
- Impact due to decrease of 0.50 %	15.38
Impact of change in salary increase	
Present value of obligation at the end of the year	304.15
- Impact due to increase of 0.50 %	14.27
- Impact due to decrease of 0.50 %	(13.31)

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

(x) Maturity profile of defined benefit obligation

Description	As at 31 st March 2022
Within next 12 months	31.91
Between 1-5 years	46.54
Beyond 5 years	225.70

(xi) Weighted average duration of defined benefit obligation is 14.77 years as at 31st March 2022.

43(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	As at 31 st March 2022	As at 31 st March 2021
Current service cost	10.58	-
Interest cost	1.48	-
Actuarial loss/(gain) recognised during the year	(28.81)	-
Amount recognized in the statement of profit and loss	(16.75)	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

ii) Change in the present value of obligation:

Description	Year ended 31 st March 2022	Year ended 31 st March 2021
Present value of defined benefit obligation as at the beginning of the year	-	-
Current service cost	10.58	-
Interest cost	11.77	-
Past service cost	-	-
Benefits paid	(78.43)	-
Actuarial loss	(31.99)	-
Present value of defined benefit obligation as at the end of the year	(88.07)	-

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

Description	Year ended 31 st March 2022	Year ended 31 st March 2021
Fair value of plan assets at the beginning of the year	-	-
Actual Return (net)	7.12	-
Contributions	40.64	-
Benefits paid	(78.43)	-
Actuarial gains/(losses)	-	-
Fair value of plan assets at the end of the year	(30.67)	-

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

Description	As at 31 st March 2022	As at 31 st March 2021
Present value of funded obligation as at the end of the year	(88.07)	-
Fair value of plan assets as at the end of the period funded status	(30.67)	-
Unfunded/funded net liability/(Asset) recognized in balance sheet	(57.40)	-

v) Breakup of actuarial (gain)/loss:

Description	As at 31 st March 2022	As at 31 st March 2021
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	(5.14)	-
Actuarial (gain)/loss from experience adjustment	(26.85)	-
Total actuarial (gain)/loss	(31.99)	-

vi) Actuarial assumptions

Description	As at 31 st March 2022	As at 31 st March 2021
Discount rate	7.16%	-
Future Salary Increase	6.00%	-
Retirement age	60 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 10.67 lacs.

vii) Sensitivity analysis for Compensated Absences

Description	As at 31 st March 2022
Impact of change in discount rate	
Present value of obligation at the end of the year	87.84
- Impact due to increase of 0.50 %	(5.04)
- Impact due to decrease of 0.50 %	5.48
Impact of change in salary increase	
Present value of obligation at the end of the year	87.84
- Impact due to increase of 0.50 %	5.51
- Impact due to decrease of 0.50 %	5.11

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

(viii) Maturity profile of defined benefit obligation

Description	As at 31 st March 2022
Within next 12 months	3.13
Between 1-5 years	12.63
Beyond 5 years	72.08

(ix) Weighted average duration of defined benefit obligation is 14.77 years as at 31st March 2022.

43 (b) (iii) Defined Contribution Plan

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees.

The provident fund is operated by the regional provident fund Commissioner and the Company is required to contribute a specific percentage of payroll cost to the retirement schemes to fund the benefits.

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

The expense recognized during the year towards defined contribution plan is INR 10.67 lacs

MOHINDRA FASTENERS LIMITED

Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

1. Corporate Information

Mohindra Fasteners Limited ("MFL" or "the Company") was incorporated on 10th January, 1995 under the erstwhile companies Act, 1956. The Equity shares of the company is listed in the Metropolitan Stock Exchange of India Limited ('MSEI') and not publicly traded.

The registered office of the Company is situated at 304, Gupta Arcade, Inder Enclave, Delhi-Rohtak Road, Delhi-110087, INDIA. The company is engaged in the Manufacturing and sale of Fasteners.

2. Basis of Preparation

a) Application of new and revised Indian Accounting standards (Ind AS)

The Consolidated 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.

b) Statement of Compliance

These Consolidated financial statements include the financial statements of the company and its Joint venture. These Consolidated Financial statements prepared on accrual basis of accounting and comply with the Indian Accounting standards ('Ind AS') as notified by the Ministry of corporate affairs under section 133 of Companies Act, 2013 ('the Act') read with the companies (Indian Accounting standards) Rules, 2015 and subsequent amendments thereto, and other provisions of the Act (to the extent notified and applicable).

The Consolidated financial statements for the year ended 31st March 2022 (including comparatives) are duly approved and authorized for issue by the Board of directors at their board meeting held on 30th May, 2022.

c) Basis of measurement

The Consolidated financial statements have been prepared on the historical cost basis except for the following items:-

Items	Measurement basis
Certain financial assets and liabilities	Fair Value
Net defined benefit (assets)/liability	Fair value of planned assets less present value of defined benefit obligations

The methods used to measure fair values are discussed further in notes to Consolidated financial statements.

d) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (Rs.), which is also the company's functional currency. All financial information presented in Indian Rupees has been rounded to the nearest Lakh (up to two decimals), except as stated otherwise.

e) Principles of Consolidation and Equity Accounting

Interest in joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investment are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equal or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Company and joint venture are eliminated to the extent of the Company's

interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

f) Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

g) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 1 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values (Refer Note-49 of the Standalone Financial statements).

h) Recent pronouncements

On March 23, 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended the existing Ind AS. The same shall come into force from annual reporting period beginning on or after April 01, 2022. Key Amendments relating to the financial statements which are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment (PPE)
 - For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of profit and loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

3. Summary of accounting policies

a) Overall considerations

The Consolidated financial statements have been prepared on going concern basis applying the significant accounting policies and measurement bases summarized below.

These accounting policies have been used throughout all periods presented in the consolidated financial statements, unless otherwise stated.

b) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. A performance obligation is a promise in a contract to transfer a distinct good (or a bundle of goods) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as or when, the performance obligation is satisfied. The Company recognizes revenue when it transfers control of a product to a customer. Revenue is measured at the

MOHINDRA FASTENERS LIMITED

Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes tax and duties collected on behalf of the government. The Company recognizes revenue from the following major sources:

i. **Sale of Products:**

Revenue from sale of products is measured based on the consideration specified in a contract with a customer. It is measured at fair value consideration received or receivable, net of returns and allowances, trade discounts. The Company recognizes revenue when it transfers control over a product to a customer i.e. when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from customers exceed revenue recognized to date on a particular contract, any excess (a contract liability) is reported in the Balance Sheet under other current liabilities (see note 29).

Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily products under arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company, generally the criteria to recognize revenue has been met when its products are delivered to its customers this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

Payment terms:-

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-90 days.

ii. **Other Income:**

Interest income from financial assets are recognized using the effective interest method.

Dividends income is recognized when the right to receive payment is established.

iii. **Other operating revenue :**

Income from export incentives viz. Duty Drawback and Merchandise Exports from India Scheme ('MEIS') are recognized on accrual basis.

c) **Property, plant and equipment**

i. **Initial recognition and measurement :**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an items of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

- ii. **Subsequent costs:**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.
- iii. **Derecognition:**

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.
- iv. **Depreciation:**

Depreciation is recognised in statement of profit and loss on a straight-line basis over the useful lives of each part of an item of property, plant and equipment specified in schedule II to the Act.

Land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.
- d) **Other Intangible assets**
 - i. **Recognition and measurement :**

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.
 - ii. **Derecognition :**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. 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.
 - iii. **Amortisation :**

Cost of software recognised as intangible asset, is amortised on straight line method over a period of legal right to use or 5 years, as estimated by the management.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.
- e) **Capital work-in-progress**

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.
- f) **Borrowing Costs**

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing

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Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition or construction of the qualifying asset. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

Borrowing costs also includes exchange differences to the extent regarded as an adjustment to interest costs.

g) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting periods may no longer exist or may have decreased.

h) Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of purchase consists of the purchase price including duties and taxes other than those subsequently recoverable by the enterprise from the taxing authorities, freight inwards and other expenditure directly attributable for its acquisition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Finished goods and stores, spares and consumables are valued at lower of cost and net realizable value and the comparison is made on an item-by-item basis.

The methods of determining cost of various categories of inventories are as under:

Nature of Inventories	Method of valuation
Raw materials	First in first out method
Stores and spares and consumables	First in first out method
Finished goods and work-in-progress	Raw material cost on first in first out method and includes conversion and other costs incurred in bringing the inventories to their present value and locations

Stock in transit is valued at lower of cost and net realizable value. Scrap is valued at estimated net realizable value.

i) Provisions and contingent liabilities and contingent assets

i. Provisions :

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

ii. Contingent Liabilities :

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

iii. Contingent Assets :

Contingent assets are neither recognised nor disclosed in the Consolidated financial statements.

j) Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to 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.

k) Foreign currency transactions and translation:

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which it arises.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks in respect of its imports and exports. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to the statement of profit and loss.

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Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

l) Employee benefits

i. Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees. The Company pays fixed contribution to government administered provident fund scheme at predetermined rates. The contributions to the fund for the year are recognised as expense and are charged to the statement of profit and loss.

iii. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity is in the nature of defined benefit plans.

The Company's net obligation in respect of defined benefit plan is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognized past service costs. Any actuarial gains or losses are recognised in other comprehensive income in the period in which they arise.

iv. Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long-term employee benefit. The employees can carry forward a portion of the unutilized accrued compensated absences i.e., Maximum 90 days and utilize it in future service periods or receive cash compensation on termination of employment. The benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

m) Leases

Company as a lessee

The Company's lease asset classes primarily consist of property leases. The Company assesses whether a contract 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.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

n) Taxes on Income:

Income-tax expense comprises current and deferred tax. Current tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

o) Earnings per Share

Basic earnings per share is computed 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), as applicable.

Diluted earnings per share is computed by dividing 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.

p) Equity Investment

Equity investments in joint venture are measured at cost. The investments are reviewed at each reporting

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(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

q) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

i. **Initial recognition and measurement :**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

ii. **Subsequent measurement :**

a. **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. **Financial assets carried at fair value through other comprehensive income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. **Financial assets carried at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through the statement of profit and loss.

iii. **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iv. **Impairment of financial assets**

In accordance with IndAS109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Trade receivables using the lifetime expected credit loss model.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Financial Liabilities

i. Initial recognition and measurement :

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

ii. Subsequent measurement :

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

iii. Derecognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 and loss.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

4. Significant accounting judgments, estimates and assumptions

The preparation of Consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of Consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

In order to enhance understanding of the financial statements information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is as under:

i. Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilized.

ii. Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

iii. Contingent liabilities

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the

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(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement (Refer Note No-44).

iv. Impairment of financial assets

At each balance sheet date, based on historical default rates observed over expected life, existing market conditions as well as forward looking estimates, the management assesses the expected credit losses on outstanding receivables. Further, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with industry and country in which the customer operates.

v. Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (Refer Note No-43).

vi. Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

vii. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease (Refer Note No.7,23,26,46)

viii. Fair value Measurements

Management applies valuation techniques to determine fair value of equity shares (where active market quotes are not available) and stock option. This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of equity shares or stock options.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note : 44 Contingent Liabilities (to the extent not provided for), Contingent Assets and Commitments:

a) Capital Commitment:

- i. Estimated amount of contracts remaining to be executed on the capital account and not provided for in the books of account (net of capital advances) Rs 1216.12 Lakh of the company.

b) Contingent Liabilities and other commitment

(i) Contingent Liabilities

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.

(ii) Other Commitment:-

Export promotion capital Goods (EPCG) License-Export obligations

The company availed EPCG Scheme via License No. 3331000616 dated 18/02/2022 for import of Capital Goods and total export obligation under EPCG is FOB Rs. 3152.28 Lakh equivalent to USD 42.83 Lakh out of which nil Export Obligation has been fulfilled till 31st March, 2022 and said export obligation to be fulfilled in subsequent 6 years i.e., till 18/02/2028.

c) Contingent Assets- Nil

Note : 45 Related party disclosures as per Ind AS 24

In accordance with the requirement of Indian Accounting standard (Ind As-24) " Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:-

I. Name of the related parties and description of relationships :

a) Parties where control exists: NIL

b) Other parties with whom the company has entered into transactions during the year:-

i) List of Key Management Personnel

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

ii) Relatives 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

iii) Joint Venture Company - KK Mohindra Fastenings (P) Ltd.

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Details of Related Party Transactions during the year ended 31st March, 2022:

Nature of Transaction	Key Management Personnel &/ Close family member of KMP	Total (Amount in Rs.)
Investments in Equity shares including share application money		
KK Mohindra Fastenings (P) Ltd.	94.68 (0.00)	- -
Remuneration	194.82* (162.45)	- -
Dividend Paid	52.20 (93.14)	- -
Sitting Fees	2.00 (1.20)	- -
Balance as at the 31st March, 2022:		
Remuneration Payable	16.24 (14.36)	- -
Investments		
KK Mohindra Fastenings (P) Ltd.	94.68 (0.00)	- -

Note:- The Figures shown above in () are belongs to previous Year**Disclosure in respect of Related Party Transactions during the year:**

Particulars	Relationship	2021-22	2020-21
a) Remuneration:			
1. Deepak Arneja	Key Management Personnel	50.52 *	-
2. Ravinder Mohan Juneja	Key Management Personnel	50.52 *	-
3. Sudhir Arneja	Relative of Key Management Personnel	26.40 *	-
4. Dheeraj Juneja	Relative of Key Management Personnel	27.54 *	-
5. Sunil Mishra	Chief Financial Officer	30.60 *	-
6. Nidhi Pathak	Company Secretary	9.24 *	-

b) Sitting Fees:			
1. Gagandeep Singh Narang	Key Management Personnel	0.50	-
2. Vinod Kumar	Key Management Personnel	0.70	-
3. Ved Prakash Chaudhary	Key Management Personnel	0.60	-
4. Shamoli Thakur	Key Management Personnel	0.20	-
c) Dividend Paid:			
1. Deepak Arneja	Key Management Personnel	17.13	-
2. Ravinder Mohan Juneja	Key Management Personnel	15.16	-
3. Gagandeep Singh Narang	Key Management Personnel	3.35	-
4. Vinod Kumar	Key Management Personnel	0.06	-
5. Sunil Mishra	Key Management Personnel	0.02	-
6. Dheeraj Juneja	Relative of Key Management Personnel	4.71	-
7. Sudhir Arneja	Relative of Key Management Personnel	11.77	-

* The above figure of Remuneration does not include provisions/contributions towards gratuity and compensated absences for all directors for the year 2021-22, as such provisions/ contributions are for the company as a whole.

Terms and conditions of transactions with related parties:

- Director's remuneration for the year 2021-2022 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.
- All outstanding balances are unsecured and payable in cash

Note : 46 Lease Liability Disclosures as lessee

The Company has taken one of its factory premises on lease at Rohtak. The Lease Agreement is valid till 31st December, 2022.

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

Lease liabilities are presented in balance sheet as follows:-

Particulars	As at 31 st March 2022	As at 31 st March 2021
Current	11.73	-
Non-current	0.00	-
Total	11.73	-

A. The following are amounts recognised in statement of profit and loss;

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Depreciation expense of right-of-use assets	12.44	-
Interest expense on lease liabilities	2.74	-
Rent expense*	20.26	-
Total	35.44	-

*Rent expense for short-term leases and not included in the measurement of lease liability.

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

B. The right-of-use assets relate to lease of building and are as follows:

Particulars	Amount
Balance as at 1st March 2020	-
Less:- Amortization expenses charged on right-of-use assets	-
Balance as at 31st March 2021	21.76
Less:- Amortization expenses charged on right-of-use assets	12.44
Balance as at 31st March 2022	9.33

The company has leases for its Building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The company classifies its right-of-use assets in a consistent manner in the balance sheet separately from other assets.

The table below describes the nature of the Company leasing activities by type of right-of-use asset recognised on balance sheet:

Particulars	No. of right-of-use-assets leased	Range of remaining terms (in years)	No. of leases with extension options/ No of leases with termination options
Building	1	Less than 1 year	1

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The Company does not have any liability to make variable lease payments for the right to use the underlying asset recognised in the financial statements.

The expense relating to payments not included in the measurement of the lease liability for short-term leases is Rs. 20.26 Lakh.

At 31st March 2022, the Company is not committed to any liability towards short-term leases.

Total cash outflow for leases for the year ended 31st March, 2022 was Rs. 36.15 Lakh including amount paid towards the aforementioned short-term leases.

Note : 47 Corporate Social Responsibility (CSR)

The Company's CSR Programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of the Act. The CSR Committee has been formed by the Companies as per the Act.

Following disclosure with regard to CSR activities: -

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
a) Amount required to be spent by the Company during the year	25.25	-
b) Amount spent during the year on:		
i) Construction/ acquisition of any asset	0.00	-
ii) On purpose other than i) above		
a. animals welfare and birds welfare	25.25	-

c) Shortfall at the end of the year	0.00	-
d) Total of previous years shortfall	0.00	-
e) Reason for shortfall	NA	-
f) Details of related party transactions	NA	-
g) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:		
Opening balance	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-
Closing balance	-	-

Note : 48 Capital management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an appropriate capital structure of debt and equity.

The management assesses the capital requirements in order to maintain an efficient overall financing structure. 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. The Company is not subject to externally imposed capital requirements.

The Company monitors capital on the basis of its gearing ratio which is net debt divided by total equity. Net debt comprises of non-current and current borrowings less cash and cash equivalents. Equity includes equity share capital and other equity that are managed as capital. The gearing ratio at the end of the reporting periods are as follows:

Particulars	31 st March, 2022	31 st March, 2021
Total borrowings	2827.72	-
Less: Cash and cash equivalents	1983.27	-
Net debt	844.45	-
Total equity	8160.45	-
Net debt to equity ratio	0.10	-

Note : 49 Fair Value Measurements

I. Financial instruments

(a) Financial instruments by category

Investment in equity instruments (except investment in joint venture company) are measured at fair value through other comprehensive income. Other than the aforementioned, all other financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, other receivables, trade payables, employee related liabilities and borrowings are measured at amortised cost.

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair value hierarchy:

As at 31st March 2022

Particulars	Carrying Amount					Fair Value			
	FVOCI	Mandatorily at FVTPL	Other financial asset-amortised cost	Other financial liabilities-amortised cost	Total Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments	8.98	--	--	--	8.98	8.98	--	--	8.98
Financial assets not measured at fair value									
Non-current Investments	--	--	94.68	--	94.68	--	--	--	0
Other financial assets	--	--	181.83	--	181.83	--	--	--	0
Trade receivables	--	--	3088.92	--	3088.92	--	--	--	0
Cash and cash equivalents	--	--	1983.27	--	1983.27	--	--	--	0
Other bank balance	--	--	18.49	--	18.49	--	--	--	0
Total	8.98	0	5367.19	0	5367.19	0	0	0	8.98
Financial liabilities not measured at fair value									
Borrowings	--	--	--	2827.72	2827.72	--	--	--	0
Lease liabilities	--	--	--	11.73	11.73	--	--	--	0
Trade payables	--	--	--	2534.35	2534.35	--	--	--	0
Other financial liabilities	--	--	--	58.34	58.34	--	--	--	0
Total	0	0	0	5432.14	5432.14	0	0	0	0

As at 31st March 2021

Particulars	Carrying Amount					Fair Value			
	FVOCI	Mandatorily at FVTPL	Other financial asset-amortised cost	Other financial liabilities-amortised cost	Total Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments	--	--	--	--	--	--	--	--	--
Financial assets not measured at fair value									
Non-current Investments	--	--	--	--	--	--	--	--	--
Other financial assets	--	--	--	--	--	--	--	--	--
Trade receivables	--	--	--	--	--	--	--	--	--
Cash and cash equivalents	--	--	--	--	--	--	--	--	--
Other bank balance	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--	--
Financial liabilities not measured at fair value									
Borrowings	--	--	--	--	--	--	--	--	--
Lease liabilities	--	--	--	--	--	--	--	--	--
Trade payables	--	--	--	--	--	--	--	--	--
Other financial liabilities	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--	--

The Company has an established control framework with respect to the measurement of fair values. The finance and accounts team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the board of directors. The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's board of directors.

MOHINDRA FASTENERS LIMITED

Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers in either direction for the year ended 31st March, 2022.

Measurement of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

Type	Valuation technique	Significant Unobservable inputs	Inter relationship between significant unobservable inputs and fair value
Investments in quoted Equity shares measured at fair value through Other comprehensive income	The fair values of investment in Equity shares is determined using quoted price as at the balance sheet date.	Not applicable	Not applicable

Fair value of financial assets and liabilities measured at amortized cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

For other financial liabilities/ assets that are not measured at fair value, the carrying amounts are considered equal to their respective fair values.

II. Financial risk management

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade payables and other payables. The Company's principal financial assets include trade and other receivables, investments and cash and bank balances that it derives directly from its operations.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk"

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

a) 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, 2022, the top 10 customers

accounted for approximately 58% 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:

Particulars of Trade Receivable	As at 31 st March, 2022	As at 31 st March, 2021
More than 180 days	77.92	-
Not More than 180 days	2991.04	-
Total (Refer Note. 10 & 14)	3068.96	-

b) 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 31.03.2022. 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 and financial liabilities except short term borrowing repayable on demand:

Year ended 31 st March, 2022	Less than one year	More than one year
Interest-bearing borrowing except short term borrowings	120.06	-
Other financial liabilities	58.34	-
Lease Liabilities	11.73	-
Trade Payables	2534.16	-

Year ended 31 st March, 2021	Less than One year	More than one year
Interest-bearing borrowing except short term borrowings	Nil	-
Other financial liabilities	24.77	-
Lease Liabilities	13.15	-
Trade Payables	1950.56	-

c) 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.

i) 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.

ii) 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

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

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.

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.

(Figures in lacs)

Particulars	EURO	USD	GBP	CNY
Import Trade Payables	-	0.39	-	0.30
	(-)	(-)	(-)	(-)
Export Trade receivables	16.81	8.73	1.22	-
	(-)	(-)	(-)	(-)
Working Loan (PCFC)	11.65	1.73	0.34	-
	(-)	(-)	(-)	(-)
Term Loan (including interest)	-	7.28	-	-
	(-)	(-)	(-)	(-)

d) 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. 8.98 Lacs**.

e) 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.

f) 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, 2022. 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, 2022 as compared to previous year ended March 31, 2021.

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.

Note : 50 Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- (iii) (A) The Company has not been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (B) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - 2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iv) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- (vii) Transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 are as follows:-

Name of Struck off Company	Nature of transactions	As at March 31, 2022	As at March 31, 2021	Relationship with the struck off company, if any, to be disclosed
Innovative Heat Handling Pvt. Ltd.	Shares held by struck off company	0.20	-	Shareholder

Note : 51 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note : 52 Following Ratios to be disclosed: -

Ratios	Numerator		Denominator		Ratios	Variation with preceding year	Comments if variation in above 25%
	Formula	Amount	Formula	Amount			
Current Ratio	Current Assets	9,145.56	Current Liabilities	4,904.06	1.86	N.A.	N.A.
		-		-			
Debt-Equity Ratio	Total Debt	2,827.72	Shareholder's equity	8,160.45	0.35	N.A.	N.A.
		-		-			
Debt Service Coverage Ratio	Earnings available for debt services	-	Debt Service	-	N.A.	N.A.	N.A.
		-		-			
Return on Equity ratio	Net profit after tax	1,236.48	Average shareholder's equity	4,080.23	30%	N.A.	N.A.
		-		-			
Inventory Turnover ratio	Cost of goods sold	7,280.03	Average inventory	1,404.06	5.19	N.A.	N.A.
		-		-			
Trade receivable turnover ratio	Net credit sales	13,520.35	Average account receivables	1,544.46	8.75	N.A.	N.A.
		-		-			
Trade payable turnover ratio	Net Credit purchases	8,138.80	Average account payables	1,267.08	6.42	N.A.	N.A.
		-		-			
Net Capital turnover ratio	Net Sales	13,680.67	Working Capital	4,241.51	3.23	N.A.	N.A.
		-		-			
Net Profit ratio	Net Profit	1,236.48	Net Sales	13,680.67	9%	N.A.	N.A.
		-		-			
Return on capital employed	Earnings before interest & taxes	1748.53	Capital employed	11,099.77	16%	N.A.	N.A.
		-		-			
Return on investment	Income generated from invested funds	N.A.	Average invested funds in treasury instruments	N.A.	N.A.	N.A.	N.A.

Note : 53 Dividends

Dividends paid during the year ended March 31, 2022 include an amount of INR 3.00 per equity share towards final dividend for the year ended March 31, 2021.

Dividends declared by the Company are based on the profit available for distribution. On May 30, 2022, the Board of Directors of the Company have declared an interim dividend of INR 4.00 per share in respect of the year ended March 31, 2022, which would result in a cash outflow of approximately INR 2.35 crores.

Note : 54 Disclosures pursuant to Ind AS 115, Revenue from Contracts with Customers, are as follows:

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography, type and timing of recognition.

Particulars	31 st March, 2022	31 st March, 2021
Revenue by geography	Fasteners	Fasteners
Domestic	2999.25	-
Export	10219.61	-
Customer wise		
Related party	0.00	-
Non-related party	13218.86	-
Revenue by time		
Revenue recognized at point in time	13218.86	-

(b) Revenue recognized in relation to contract liabilities

Ind AS 115 requires disclosure of 'revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognized in the reporting period from performance obligations satisfied (or partially satisfied) in previous period. Same has been disclosed as below:

Description	31 st March, 2022	31 st March, 2021
Amounts included in contract liabilities at the beginning of the year	19.39	-
Performance obligations satisfied in previous years	0.81	-

(c) Assets and liabilities related to contracts with customers

Description	As at 31 st March, 2022		As at 31 st March, 2021	
	Non-current	Current	Non-current	Current
Contract assets related to sale of goods	0.00	0.00	-	-
Contract liabilities related to sale of goods	0.00	0.00	-	-
Advance from customers	0.00	19.39	-	-
Security deposit	0.00	0.00	-	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

(d) Significant changes in contract assets and liabilities

Changes in balance of contract liabilities during the year:

Description	31 st March, 2022	31 st March, 2021
Opening balance of contract liabilities	0.81	-
Amount of revenue recognized against opening contract liabilities	0.81	-
Addition in balance of contract liabilities for current year	19.39	-
Closing balance of contract liabilities	19.39	-

There have been no significant changes in contract assets/liabilities during the year.

(e) Reconciliation of revenue recognized in Statement of Profit and Loss with Contract price

Description	31 st March, 2022	31 st March, 2021
Contract Price	13218.05	-
Less: Discounts and freight	0.00	-
Addition in balance of contract liabilities for current year	0.81	-
Revenue from operations as per Statement of Profit and Loss	13218.86	-

(f) Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily hi-tensile fasteners under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognized when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. In case of the Company's operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers, this is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

(g) Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

(h) Variable considerations associated with such sales

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognizes revenue for the amounts it ultimately expects to realise from the customer. The Company estimates the variable consideration for these programs using the most likely amount method or the expected value method, whichever approach best predicts the amount of the consideration based on the terms of the contract and available information and updates its estimates each reporting period.

Note : 55 Interest in other entities: -

(a) Joint Venture:-

The Company has a 49% interest in a joint venture i.e., KK Mohindra Fastenings Private Limited which was incorporated on 24th November, 2021. The Company is engaged in the business of sale of fasteners. The principal place of business of the joint venture is in India.

Name of entity	% of ownership interest	Quoted Fair value*		Carrying amount		Accounting method
		31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	
KK Mohindra Fastenings Private Limited	49%	-	-	94.68	-	Equity method in accordance with IND AS-28 'Investment in Associates and Joint Ventures'

* Since the entity is not listed, quoted value is not available.

(i) Summarised financial information for joint venture

Summarised Balance Sheet

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current Assets		
- Cash and Cash Equivalents	92.64	-
- Other Assets	0.04	-
Total current assets	92.68	-
Total non-current assets	4.17	-
Current Liabilities		
- Trade Payables	-	-
- Other Financial Liabilities	-	-
- Other Liabilities	5.55	-
Total current liabilities	5.55	-
Total non-current liabilities	-	-
Net Assets	91.30	-

MOHINDRA FASTENERS LIMITED**Notes To Consolidated Financial Statements For The Year Ended 31st March 2022 (Contd.)**

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Summarised Statement of Profit and Loss

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Revenue from operations	-	-
Profit before tax	(20.93)	-
Tax expenses	4.17	-
Profit after tax	(16.77)	-
Other comprehensive Income	-	-
Total Comprehensive Income	(16.77)	-
Dividend received	-	-

Reconciliation of Carrying amounts

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Opening net assets	-	-
Additions during the year	108.07	-
Profit for the year	(16.77)	-
Other Comprehensive Income	-	-
Closing net assets	91.30	-
Company share in %	49%	-
Company share's	94.68	-
Carrying amount of investment in Joint venture	94.68	-

Note : 56 Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated financial statements to Schedule III to the Act:

Name of entity	Net Assets i.e., Total assets minus total liabilities		Share in Profit/(Loss)		Share in Other Comprehensive income (Net of Tax)		Share in Total Comprehensive income (Net of Tax)	
	Amount	As a % of Consolidated Profit & Loss	Amount	As a % of Consolidated Profit & Loss	Amount	As a % of Consolidated Profit & Loss	Amount	As a % of Consolidated Profit & Loss
Company								
Mohindra Fasteners Limited	8168.67	100.10%	1244.7	100.66%	(18.61)	100.00%	1226.09	100.67%

Joint Venture								
KK Mohindra Fastenings Private Limited	(8.22)	(0.10%)	(8.22)	(0.66%)	0.00	-	(8.22)	(0.67%)
	8160.45	100.00%	1227.93	100.00%	(18.61)	100.00%	1209.32	100.00%

Note : 57 Prior year Comparatives:

The Company has made the investment in Joint Venture “KK Mohindra Fastenings Private Limited” on dated 18.01.2022 which is the date of consolidation for the Preparation and presentation of consolidated financial statements. This is the first year when consolidated financial statements of the company are prepared because of investment in Joint venture. Therefore, figures for the previous period are need not to be presented. Further, in all subsequent years full comparative figures for the previous period will be presented in the consolidated financial Statements.

As per our report of even date

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

For & on behalf of the Board of Directors

CA Vivek Gupta
(Partner)
Membership No. F-094319

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

Ravinder Mohan Juneja
(Managing Director)
DIN:- 00006496

Place: New Delhi
Date: 30/05/2022

Sunil Mishra
(Chief Financial Officer)

Nidhi Pathak
(Company Secretary)
(M. No.: 31973)

