'ANNEXURE – I'

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U27109PN1996PLC131826
ii.	Registration Date	19/12/1996
iii.	Name of the Company	SKS FASTENERS LIMITED
iv.	Category / Sub-Category of the Company	Company limited by shares Indian Non-Government Company
v.	Address of the Registered office and contact details	1990, Ambethan Road, Chakan, Tal. Rajgurunagar, Dist. Pune-410501.
vi.	Whether listed company	No.
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411001 Tel : 020 - 2616 1629 / 2616 0084 Fax : 020 - 2616 3503 Email : pune@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Bolts & Screws	25991	99.38%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

NOT APPLICABLE

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section

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

(i). Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Changed during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian									
a.Individual/HUF	**7921306**	**0**	**7921306**	**100**	**7921306**	**0**	**7921306**	**100**	**0**
b. Central Government(s)	0	0	0	0	0	0	0	0	0
c. State Government (s)	0	0	0	0	0	0	0	0	0
d. Bodies Corporate	0	0	0	0	0	0	0	0	0
e. Banks / Financial Institutes	0	0	0	0	0	0	0	0	0
f. Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**7921306**	**0**	**7921306**	**100**	**7921306**	**0**	**7921306**	**100**	**0**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b. Other – Individuals	0	0	0	0	0	0	0	0	0

c. Bodies Corporate	0	0	0	0	0	0	0	0	0
d. Banks / Financial Institutes	0	0	0	0	0	0	0	0	0
e. Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	**7921306**	**0**	**7921306**	**100**	**7921306**	**0**	**7921306**	**100**	**0**
B. Public Shareholding **1. Institutions**									
a. Mutual Funds	0	0	0	0	0	0	0	0	0
b. Banks / Financial Institutes	0	0	0	0	0	0	0	0	0
c. Central Government(s)	0	0	0	0	0	0	0	0	0
d. State Government (s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FIIs	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Non-Institutions									
a. Bodies Corporate:	0	0	0	0	0	0	0	0	0
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	0	0	0	0
b. Individuals	0	0	0	0	0	0	0	0	0
i. Individual shareholders holding nominal share	0	0	0	0	0	0	0	0	0

capital uptoRs. 1 lakh									
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
iii. Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding B)=(B)(1)+ (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**7921306**	**0**	**7921306**	**100**	**7921306**	**0**	**7921306**	**100**	**0**

(ii). Shareholding of Promoters:

Sr. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			
		No. of Shares	**% of total Shares of the company**	**%of Shares Pledged / encumbered to total shares**	**No. of Shares**	**% of total Shares of the company**	**%of Shares Pledged / encumbered to total shares**	**% change in shareholding during the year**

1.	Sushilkumar Bindal	1488374	18.79	NIL	1488374	18.79	NIL	NIL
2.	Sushilkumar Bindal HUF	2398019	30.27	NIL	2398019	30.27	NIL	NIL
3.	Pushpa Bindal	767246	9.69	NIL	767246	9.69	NIL	NIL
4.	Sudhanshu S. Bindal	738233	9.32	NIL	738233	9.32	NIL	NIL
5.	Meenal S. Bindal	819715	10.35	NIL	819715	10.35	NIL	NIL
6.	Sudhanshu S. Bindal HUF	859130	10.85	NIL	859130	10.85	NIL	NIL

(iii). Change in Promoters' Shareholding (please specify, if there is no change):

NO CHANGE

Sr. No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There has occurred no change in shareholding pattern or ratio of promoters' holding during the financial year 2019-20.			
	Date wise increase/ Decrease in promoter's shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):				
	At the End of the year				

(iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year:	**850579**	**10.727**	**850579**	**10.727**
	Bhagirath Arya	850000	10.72	850000	10.72
	Meena Jain	579	0.007	579	0.007
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	0	0	0	0
	At the End of the year:	**850579**	**10.727**	**850579**	**10.727**
	BhagirathArya	850000	10.72	850000	10.72
	Meena Jain	579	0.007	579	0.007
	At the End of the year (or on the date of separation, if separated during the year)				

(v). Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	**No. of shares**	**% of total shares of company**	**No. of shares**	**% of total shares of company**
	<u>At the beginning of the year</u>				

	Sushilkumar Bindal Sudhanshu S. Bindal Meenal Bindal Rajiv Kumar Agarwal	1488374 738233 819715 10	18.79 9.32 10.35 0.00001	1488374 738233 819715 10	18.79 9.32 10.35 0.00001
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No changes occurred in shareholding pattern during the year 01.04.2019 to 31.03.2020.			
	At the end of the year SushilkumarBindal Sudhanshu S. Bindal Meenal Bindal Rajiv Kumar Agarwal	 1488374 738233 819715 10	 18.79 9.32 10.35 0.00001	 1488374 738233 819715 10	 18.79 9.32 10.35 0.00001
	TOTAL	**3046332**	**38.46001**	**3046332**	**38.46001**

V. INDEBTEDNESS:

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

Amounts in Rupees	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				

i. Principal Amount	44,15,90,338/-	80,06,519/-	51000/-	44,96,47,857/-
ii. Interest due but not paid	15,38,235 /-	NIL	NIL	15,38,235 /-
iii. Interest accrued but not due	15,27,063/-	NIL	NIL	15,27,063/-
Total (i+ii+iii)	**44,46,55,636**	**80,06,519/-**	**51000/-**	**45,27,13,155/-**
Change in Indebtedness during the financial year				
• Addition	-	-	-	
• Reduction	8,05,90,522/-	55,32,034/-	-	8,61,22,556/-
Net Change				
Indebtedness at the end of the financial year				
i.Principal Amount	36,13,75,954/-	24,74,485/-	51000/-	33,39,01,439/-
ii. Interest due but not paid	10,11,491 /-	NIL	NIL	10,11,491 /-
iii. Interest accrued but not due	16,77,669/-	NIL	NIL	16,77,669/-
Total (i+ii+iii)	**36,40,65,114/-**	**24,74,485/-**	**51000/-**	**36,65,90,599/-**

Notes:

1. Amount of secured loans mentioned above is inclusive of secured term loans and cash credit facilities.

2. Deposits are debtor's deposits taken from the debtors as security for performance of contractual obligations and remain unchanged for years. ***These are not deposits as defined u/Chapter V(Ss. 73-76) of the Companies Act, 2013.***

3. Interest amounts are paid as and when they become due.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particularsof Remuneration	Name of MD/WTD/Manager					Total Amount
		MD	**WTD**	**WTD**	**WTD**	**WTD**	**Total**
		SushilkumarBindal	Sudhanshu Bindal	Meenal Bindal	Rajiv Agarwal	Vinodkumar Jain	**Amounts in Rupees**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1953952	1821096	1767184	1265000	1326870	8134102
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-	-	-
5.	Others, please specify **Performance/ Sales Incentive**	6600000	6711020	311697	-	-	13622717
	Total (A)	**8553952**	**8532116**	**2078881**	**1265000**	**1326870**	**21756819**
	Ceiling as per the Act	Rs. 84,00,000/- being individual slab applicable in case of inadequacy of profits, as per Schedule V of the Companies Act, 2013. Provided that the remuneration in excess of above limits					

		may be paid if theresolution passed by the shareholders is a special resolution.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Mr. Sanwarmall Changoiwala Mr. Mahendra Kumar Sharma NIL NIL	30,000 30,000
	Total (1)		60,000
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	N.A.	
	Total (2)	NIL	NIL
	Total (B)=(1+2)	NIL	60000
	Total Managerial Remuneration	NIL	NIL
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel other than MD/ MANAGER/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Company Secretary**	**CFO**	**Total**
1.	Gross salary (Rs.) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	N.A	3,41,320/-	N.A.	3,41,320/-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-

	Total (C)	NIL	3,41,320/-	NIL	3,41,320/-

VII. <u>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES</u>:

<u>NOT APPLICABLE</u>.

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT / COURT]**	**Appeal made, if any (give Details)**
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

'ANNEXURE – II':

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Conservation of Energy:

The Company continues to run Automatic Plating Plant in order to improve the efficiency and quality of its products that results in optimum utilization of resources causing preservation and conservation of electricity, fuels and such energy resources.

Also the effective maintenance of furnace to avoid heat loss, utilization of full capacity of furnaces by proper co-ordination of load and improvement of power factor by the Company results in preserving the energy resources.

The Company continues to carry on rain water harvesting activity in and around its plant site. On environmental protection front, the Company has also installed solar capacity of 62.1 kw and its Power generation – 310 units / day, 93150 units / year.

Installation of SOLAR system on the roof of unit II (Block A & B) is completed in 19-20 where in 1308 KW / Year electricity is generated and used.

Apart from above the company went through Thermography& Leakage Detections testing on monthly basis and Safety Audits on yearly basis .Further the company has installed Variable Frequency Drives on many machines which will give further energy saving.

Your Directors believe in the growth of the Company hand in hand with the growth of its employees and hence assures its enhanced efforts towards employee welfare.

(B) Technological Absorption:

The Company continues to run Automatic Phosphating Plant in order to improve the efficiency and quality of its products that results in optimum utilization of resources causing preservation and conservation of electricity, fuels and such energy resources.

The Company continues to use the imported bolt forging machinery to improve on the technology front. Further the Board assures to update and use latest technology available in industry keeping in mind indigenous conditions. The Company takes persistent efforts to provide end products with the use of state of the art technology.

Company has embarked on a drive to replace, in a phased manner, the old machines and to bring in new machines with latest technology. These machines will not only boost the productivity but also conserve energy.

(1) Specific areas in which R&D carried out by the Company.
- ✓ Center Bolt
- ✓ Stopper Bolt Spherical Head

- ✓ Socket Head Ball Seat Injector Bolt
- ✓ Tool Design Improvements

(2) Benefits derived as result of the above R&D.

a) **Center Bolt:** This unique and precise bolt has a ball shaped bearing face. The semi hemisphere was being machined on a CNC machine and would take time and result in wastage of material in terms of the swarf generated. The idea during R & D activity was to avoid CNC machining and achieve the hemispherical shape in cold forging. The tooling was designed, and R & D efforts resulted in finalization of the heading die which could give us a perfect shape of the hemisphere and at the same time hold the tolerance. The cold heading of the sphere saved machining time and saved the material. The cost reduction was achieved. The component is fully developed, and the project handed over to production for regular manufacturing.

b) **Stopper Bolt with Spherical head**: This special product has a spherical shape over the normal hexagonal head of the bolt. The Spherical shape was earlier machined on a lathe. This would take a lot of time and the productivity was low besides generating scrap in terms of turning chips. We did trials in R & D to generate the spherical shape in forging. We succeeded in designing the punches which would extrude the hexagonal shape as well as forge the sphere. The result was improved productivity, no scrap in the forms of chips thus cost saving. The project has been handed over to production for regular manufacturing.

c) **Socket Head Ball Seat Injector Bolt**: This complicated shaped product not only has a hex socket but also has a ball seat beneath it. The R & D challenge was to achieve the shape of the ball seat and the hex socket in Cold Heading operations. Various tool designs were tried by R & D and after many trials succeeded in balancing the material and grain flow to achieve the designed geometry, while retaining the metallurgical properties. The project was a success and has been handed over to production for regular manufacturing.

Tool design Improvement:

d) **Surface finish improvement**: - Some tools used in cold forging and thread rolling where surfaces of the tools are constantly in contact and components slide over the face of the tools. This operation would result in leaving some marks on the components. These marks sometimes would be very prominent and would not be accepted by our quality assurance. In order to overcome this problem, we did a lot of R & D and found out that if the flat surfaces are super finished using diamond grinding and diamond polishing surface grinding wheel we could achieve the defect free products. This called for a highly accurate high-speed surface grinding machine which would not only give us flatness accuracy of 0.005mm but would also be capable of taking the Diamond Grinding and Diamond Polishing wheel. The surface grinding machine was imported, and we carried out the trials in our R & D shop. The results were very

encouraging. We have implemented the process in the tool room where highly polished tools are now manufactured and are now getting defect free products. Cost saving is done in terms of elimination of rejections.

e) **Company Logo and Grade Marking on the head of fasteners**: The Heading inserts used to transfer the company logo and grade on to the products during forging. The lettering on the heading inserts were done manually using masters. Since this was a manual operation and the masters would get worn out, the marking on the head of the product would be irregular and sometimes blur and shabby. We did some R & D and instead of punching the letters on the heading inserts we tried engraving the letters on the heading inserts before heat treating them. The results were encouraging, and we decided to import a CNC engraving machine which could be programmed to engrave lettering on the heading inserts. We also designed a Tungsten Carbide toolto do the engraving. The results today are that the lettering on the head of fasteners is very well defined and aesthetically also looks good. The process and technology have been passed on to our tool room who are in the process of implementation. This has not only improved the manufacturing technique but has also given cost saving in terms of improved productivity of tool manufacturing.

(2) Expenditure on R&D

	(Rs. in Lacs)	**(Rs. in Lacs)**
	2019-20	**2018-19**
Capital	-	4,455,174.00
Recurring	66,73,087.00	7,923,279.00
Total R&D Expenditure	**66,73, 087.00**	**12,378,453.00**

(3) Future Plan of Action

Following are in the project stage and R & D is continuing

i) **Combined Rolling of Threads and serrations:** At present the serrated wheel bolts are rolled twice, once for serrations and the second time for thread rolling. Development of special thread rolls is in progress where the assembly of two rolls can enable us to roll serrations as well as threads in single rolling pass. This combined rolling when implemented will eliminate

one rolling pass thereby reducing the total rolling time by half and increase the productivity. The cost reduction thus achieved can be passed on to the customer.

ii) **Achieving Grinding Tolerance in Cold Forging:** For products like Hex head Axle Bolts shank is being centerless ground at present. This process is not only slow but is expensive as well. A project is underway to modify the forging tool to cold forge the product in such a manner that the tolerance on shank could be achieved in cold forging instead of grinding. The process when implemented will not only eliminate the cost incurred in grinding but will also improve productivity resulting in cost reduction.

iii) **Hex forming instead of Hex trimming for bigger sizes of M14 & M16:** So far, we have developed cold forging process to form the hex head by extrusion and forming rather than trimming, for smaller sizes. Now we are developing the process for bigger sizes which are more difficult to extrude and form. When the project is completed and implemented in regular manufacturing we shall get a substantial saving of about 12 % in the raw material volume. This will give us a cost reduction and customer will be benefited.

(C) <u>Foreign Exchange Earnings and Outgo</u>:

The Company earned foreign exchange (accrual Basis) of Rs. 8,32,96,655.32 as FOB Value of Exports sales in the financial year 2019-20.

While the foreign exchange outgo for the year under review is Rs. 6,61,08,710.32 ($938339.55) and Rs. Rs. 90,348.88 (£1134.7).