



GSK & ASSOCIATES LLP

Chartered Accountants

LLPIN : AAB-1809

(Registered under The Limited Liability Partnership Act, 2008)

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INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
MOHINDRA FASTENERS LIMITED**

Report on Financial Statements

We have audited the accompanying financial statements of **Mohindra Fasteners Limited** ("the company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit & Loss and Cash Flow statement for the year then ended and; summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act,1956 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. we conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of risks of material misstatement of the financial statement, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

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



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Opinion

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accordance principles generally accepted in India:

- (a) In the case of Balance Sheet, of the state of affairs of the company as at March 31, 2013.
- (b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account, as required by the law, have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e) On the basis of written representations received from the directors, as on March 31, 2013, and taken on records by the board of directors, we report that none of the director is disqualified as on March 31, 2013 from being appointed as a Director in terms of Section 274(1)(g) of the Act.

For GSK & Associates LLP
Chartered Accountants
(Registration No. 013838N)



Anil Somani
Designated Partner
Membership No. 93521



Place: New Delhi
Date: 27.07.2013

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

In respect of its fixed asset:

- a) The company has maintained proper records showing full particulars including quantity details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion and according to the information and explanations given to us the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.

2. In respect of inventories:

- a) The inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. The company has received confirmations in respect of stocks lying with third parties.

The Company is in the process of developing resources planning module for better control and monitoring of work-in process & this will help in better assessment in times to come.

- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of Company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
- a) The Company has not granted any unsecured / secured loans to companies, firms and other parties covered in the register maintained under section 301 of the Act. Consequently the requirement of clause (iii) b, (iii) c and (iii) d of paragraph 4 of the order are not applicable.
 - b) The Company has not taken unsecured / secured loans from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act



1956. Consequently, the requirements of clauses (iii)(f) and (iii)(g) of paragraph 4 of order are not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory & fixed assets and for the sale of the goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the Contracts or arrangements referred to in Section 301 of the Companies Act 1956:
 - a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5.00 Laes in respect of each party, the transaction have been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not been accepted any deposits from the public. Therefore, the provision of clause (vi) of paragraph 4 of the Order is not applicable to the company
7. In our opinion and as informed to us the company has an adequate internal audit system commensurate with the size and nature of its business. However, the company has not appointed any internal auditor for that purpose.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government Under Section 209(1)(d) of the companies Act, 1956 and are of the opinion, that prime facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - a) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.
 - b) The disputed statutory dues aggregating to Rs 35.07 Laes. Against this the Company has deposited Rs 35.15 Laes on account of disputed matters pending before appropriate authorities are as under.




Name of the Statute	Nature of Dues	Amount Rs in lacs	Period to which Amount Relates	Forum where dispute is pending	Amount Deposited Rs in lacs
Haryana Value Added Tax Act, 2003	VAT/CST	5.24	2003-2004	High Court of Punjab and Haryana, Chandigarh	5.24
Haryana Value Added Tax Act, 2003	VAT/CST	13.49	2004-2005	High Court of Punjab and Haryana, Chandigarh	13.47
Haryana Value Added Tax Act, 2003	VAT	00.61	2004-2005	Haryana Tax Tribunal Chandigarh	0.00
Haryana Value Added Tax Act, 2003	VAT/CST	15.73	2005-2006	High Court of Punjab and Haryana, Chandigarh	16.44
Haryana Value Added Tax Act, 2003	VAT	1.18	2008-2009	Joint Excise and Taxation Commissioner (Appeal) Rohtak	0.00

10. The Company does not have accumulated losses at the end of the financial Year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institution and banks.
12. In our opinion and according to the explanations given to us and based on the information available, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and accordingly the provision of clause (xii) of paragraph 4 of the order is not applicable to the company.
13. In our opinion, the Company is not a chit fund/ nidhi/ mutual benefit fund / society. Therefore, the provision of clause (xiii) of paragraph 4 of the order is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investment. Therefore the provision of clause (xiv) of paragraph 4 of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or financial institutions, terms and conditions thereof are not prima facie prejudicial to the interest of the Company.



16. The Company has raised fresh term loans during the year. The term loan outstanding at the beginning of the year and those raised during the year has been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examinations of the Balance Sheet of the Company, we are of the opinion that no funds raised on short- term basis have been used for long-term investments.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issue debentures. Therefore the provision of clause (xix) of paragraph 4 of the order is not applicable.
20. The Company has not raised any monies by way of public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

For GSK & Associates LLP
Chartered Accountants
(Registration No. 013838N)


Anil Somani
Designated Partner
Membership No. -93521
Place: New Delhi
Date : 27.07.2013





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AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Mohindra Fasteners Ltd

We have examined the compliance of conditions of Corporate Governance by **Mohindra Fasteners Limited**, for the year ended on 31st March 2013, as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchange(s) in India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholder/Investor Grievance Committee.

We further state that such compliance 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 GSK & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
(Registration No. 013838N)**

Anil Somani
Designated Partner
Membership No. -93521
Place : New Delhi
Dated :27.07.2013

