

# **MUNJAL AUTO**

30th Annual Report & Accounts 2014-15



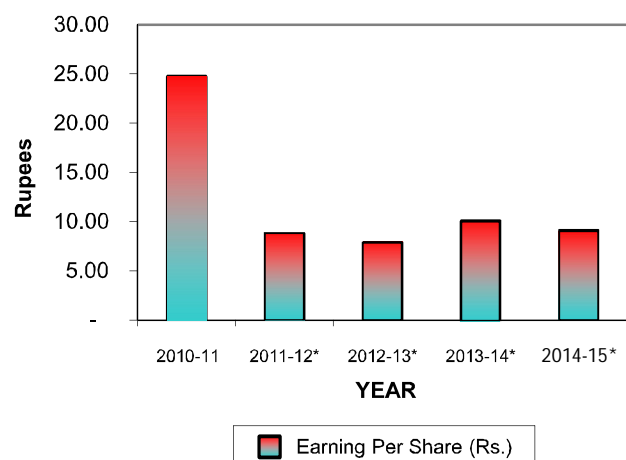
**Munjal Auto Industries Limited**

## FINANCIAL STATISTICS FIVE YEARS' TRACK RECORD

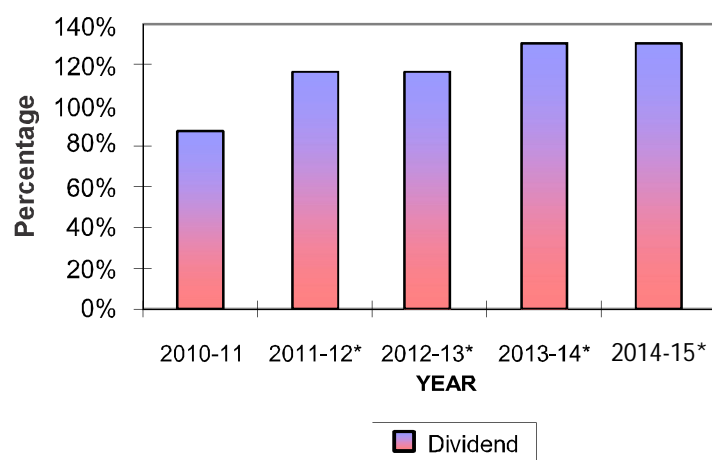
(Rs. In Lacs)

	2010-11	2011-12*	2012-13*	2013-14*	2014-15*
Equity Share Capital	1,000	1,000	1,000	1,000	1,000
Reserves & Surplus	8,282	11,551	14,330	17,634	19,694
Deferred Tax Liability / (Assets)	348	524	646	657	779
Secured Loans	6,182	6,153	6,008	7,697	7,824
Total External Liability	8,867	11,643	10,355	12,937	12,548
Total Assets	24,679	30,871	32,339	39,925	41,845
Sales	57,225	73,582	78,622	89,192	97,278
YoY Growth	75.04%	28.58%	6.85%	13.44%	9.07%
Profit Before Interest, Depreciation & Tax (PBDIT)	4,483	6,610	5,999	6,785	7,276
Interest	397	779	687	601	863
Depreciation	808	1,003	1,138	1,245	1,483
Profit before Tax	3,278	4,828	4,174	4,939	4,929
Profit after Tax	2,487	4,432	3,949	4,766	3,803
Earnings Per Share (Rs.)	24.83	8.86	7.90	9.53	7.61
Dividend	75%	100%	100%	125%	125%

### EARNING PER SHARE



### DIVIDEND



\* Indicated EPS is of Face Value of Rs.2/- each. Every 1 (One) Equity Share of Rs.10/- (Ten only) each subdivided into 5 (Five only) Equity Shares of Rs.2/- each w.e.f. 31<sup>st</sup> December, 2011.

## BOARD OF DIRECTORS

### CHAIRMAN

Satyanand Munjal (upto 02.02.2015)

### CHAIRMAN AND MANAGING DIRECTOR

Sudhir Kumar Munjal (w.e.f. 28.03.2015)

### WHOLE TIME DIRECTORS

Anju Munjal

Anuj Munjal

### DIRECTORS

Vikram Shah

Naresh Kumar Chawla

Mahendra Sanghvi

Ramkisan Devidayal

Sudesh Kumar Duggal

Jal Ratanshaw Patel

### CFO

S. K. Sharma

### COMPANY SECRETARY

Rakesh Johari

### AUDITORS

Vakil Jain & Hindocha

Chartered Accountants

38, Gautam Nagar, Race Course,

Vadodara 390 007

### BANKERS

State Bank of India

IDBI Limited

HDFC Bank Limited

### REGISTERED OFFICE & PLANT I

187, GIDC Industrial Estate,

Waghodia 391760

Dist. Vadodara (Gujarat)

### PLANT II

Plot No.37, Sector 5

Phase II, Growth Centre

Bawal – 123501

Dist. Rewari (Haryana)

### PLANT III

Plot No.11, Industrial Park -2

Village: Salempur, Mehdood

Haridwar – 249402 (Uttarakhand)

### PLANT IV

Plot No.32A, Industrial Area,

Phase II, Dharuhera -122106

Dist. Rewari, State : Haryana

### CORPORATE OFFICE

324, 3<sup>rd</sup> Floor, Galleria Tower,

DLF Phase IV,

Gurgaon- 122 002

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## DIRECTORS' REPORT

To  
The Members  
Munjal Auto Industries Limited

Your Directors are pleased to present Company's 30<sup>th</sup> Annual Report and audited financial statements for the year ended March 31, 2015.

### FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2015 is summarized below:-

	(Rs. in Lacs)	
Year ended March 31,	2014-2015	2013-2014
Sales & Other Income	97277.31	89192.42
Profit before Finance Cost & Depreciation	7275.87	6785.00
Depreciation	1483.54	1244.86
Finance Cost	863.23	601.48
Profit before Taxation	4929.10	4938.66
Provision for Taxation (Deferred & Current)	1125.96	172.88
Profit after Taxation	3803.14	4765.78
Profit available for Appropriations	3803.14	4765.78
<b>Appropriations</b>		
Proposed Dividend on Equity Shares	1250.00	1250.00
Tax on Dividend	254.47	212.44
Transfer to General Reserve	-	476.58
Profit remaining after Appropriation	2298.67	2826.76

### DIVIDEND

Your Directors have pleasure to recommend a dividend of 125% i.e. Rs.2.50/- on equity share of face value of Rs. 2/- each for the fiscal year ended 31<sup>st</sup> March, 2015. The dividend, if approved by the Members in the ensuing Annual General Meeting, would absorb Rs.1504.47 lacs including dividend distribution tax (Rs. 1,462.43 lacs previous year) out of the distributable profits available.

### APPROPRIATIONS

After setting aside amount of Rs.1504.47 lacs towards dividend including dividend distribution tax and after transferring an amount of Rs. Nil (Rs. 476.58 lacs previous year) to General Reserve, the balance amount of Rs.2059.87 lacs (Rs. 2,826.76 lacs previous year) is being retained in the Profit and Loss Account.

### PERFORMANCE

The Company has achieved sales turnover of Rs. 961.42 Crore registering a modest growth of 9.08% per cent. Profit before tax is Rs.49.29 Crore and profit after tax at Rs. 38.03 Crore during the year

as against Rs. 49.39 Crore and Rs. 47.66 Crore respectively in the previous year. Considering the overall sluggish conditions in Indian Economy and in auto sector, the operating numbers can be deemed as satisfactory.

### CAPACITY UTILIZATION & PLANT OPERATIONS

All four units of the Company at Waghodia in Gujarat, Bawal as well as Dharuhera both in Haryana and Haridwar in Uttarakhand are running well and continue to operate at a satisfactory level of efficiency.

### SHARE CAPITAL

The paid up equity capital as on March 31, 2015 stands at Rs. 10 Crore consisting of 5 Crore Equity Shares of Rs.2/- each. During the year under review, the Company has not issued any bonus shares, additional equity shares, any right shares with differential voting rights nor granted any stock options or issued any sweat equity shares.

### APPOINTMENT/ CESSATION OF DIRECTORS

In terms of section 152 of Companies Act, 2013 and the applicable provisions therein, one-third of the retiring Directors (other than independent directors who are non retiring) shall retire by rotation, and if eligible, may offer themselves for re-election at the Annual General Meeting of the Shareholders. Accordingly, Mr. Sudhir Kumar Munjal retires by rotation at this Annual General Meeting and being eligible, offers himself for reelection.

Your Board recommends re-appointment of Mr. Sudhir Kumar Munjal, retiring at the forthcoming AGM of Company in terms Section 152 of Companies Act, 2013, who in opinion of the Board fulfills the conditions for reappointment specified in the Act and rules made thereunder.

Shri Satyanand ji Munjal, chairman of the Company has resigned, due to advanced age, from the directorship of the Company w.e.f. February 02, 2015. The Board of Directors, while wishing him a healthy, long life, takes on record the invaluable guidance provided by Shri Satyanand ji Munjal since inception of the Company. His guiding principles have laid the path of good governance in steering affairs of the Company all these years and his foundational values taking care of interests of all stakeholders in the company will continue to be a good legacy. Shri Sudhir Kumar Munjal has been appointed as Chairman & Managing Director of the Company w.e.f. March 28, 2015.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the performance of the Board and individual Directors was evaluated by the Board seeking relevant inputs from all the Directors. The Nomination and Remuneration committee (NRC) reviewed the performance of the individual Director. A separate meeting of Independent Directors was also held to review the performance of

Non-Independent Directors, performance of the Board as a whole and performance of the Chair-person of the Company.

## QUALITY

Your Company is focusing on quality, right from new product development stage such as design of processes, manufacturing of tools, fixtures & dies so as to ensure quality output on a sustainable basis. This attribute of your Company has enabled it remain a consistent quality producer over the years.

## FINANCE AND ACCOUNTS

Your Company continued to focus on operational improvement. Continuing focus on managing optimal levels of inventory, sound business performance, operating efficiencies in various segments of business and cost saving drive across the organization have helped it generate decent cash flow from operations, notwithstanding headwinds blowing in automobile sector and sluggish macro-economic environ throughout the year.

Your Company was able to raise the short-term/long term funds needed for its working capital related requirements & term loans for new capital expenditure at reasonable rates. Your Company continues to enjoy excellent credit ratings for both long and short tenure borrowings and maintains impeccable debt-servicing track record, which helps it retain excellent rapport with all of its bankers.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

## CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The amount required to be spent on CSR activities during the year under report in accordance with the provisions of section 135 of the Act is Rs. 92.94 lacs and the Company has spent Rs. 37.99 lacs during the current financial year. The shortfall in the spend during the year under report is intended to be utilized in phased manner in future, upon identification of suitable projects/programmes within the Company's CSR Policy.

The requisite details on CSR activities pursuant to Section 135 of the Act and as per Annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as Annexure A to this Report.

## FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS

The Company has not given any guarantees or securities covered under the provisions of section 186 of the Companies Act, 2013 ('the Act').

However, the aggregate of loans and advances granted as also investments are within the limits of Section 186 of the Act.

## DECLARATION GIVEN BY INDEPENDENT DIRECTORS PURSUANT TO SECTION 149(6) OF THE ACT

The Company has received declaration from all independent directors of the Company to the effect that they meet criteria of independence as stipulated u/s 149(6) of the Act and Clause 49 of the listing agreement.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively;



## **PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188 OF THE COMPANIES ACT, 2013**

There were no related party transactions entered into during the financial year under section 188 of Companies Act, 2013.

## **HOLDING COMPANY**

Thakur Devi Investments Private Limited is a holding company of the Company holding 74.81% Equity Share Capital of the Company.

## **AUDIT COMMITTEE RECOMMENDATIONS**

During the year, The Board has accepted all recommendations of Audit Committee and accordingly no disclosure is required to be made in respect of no acceptance of the recommendation of the Audit Committee by the Board.

## **RATINGS FOR BORROWING**

ICRA, the rating agency has reaffirmed AA- with stable outlook for the long term ratings for bank facilities and A1+ the short term rating for short term bank facilities and commercial paper of your Company.

## **AUDITORS**

The auditors, M/s. VAKIL, JAIN & HINDOCHA, Chartered Accountants, retire at the ensuing Annual General Meeting. They have furnished their consent and requisite certificate pursuant to the Companies Act, 2013 in respect of their proposed reappointment.

## **EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure B**.

## **EXPLANATION/ COMMENTS ON QUALIFICATION/ RESERVATION/ ADVERSE REMARK/ DISCLAIMER BY THE AUDITORS, IF ANY**

Since there was no qualification/ reservation/ adverse remark/ disclaimer either by the Auditors or Secretarial Auditors in their respective report, no explanation/ comment is offered.

## **CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management have been given appropriate training in this regard.

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

The Company has a vigil mechanism/whistle blower policy to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

## **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading pursuant to new SEBI (Prohibition & Insider Trading) Regulation 2015 in place of SEBI (Prohibition & Insider Trading) Regulation 1992 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code.

## **BOARD MEETINGS**

Five meetings of the Board of Directors were held during the year. Details of the composition of the Board and its committees and of the meeting held, attendance of the directors of such meeting and other relevant details are provided in the Corporate Governance Report.

## **SECRETARIAL AUDITOR**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s Devesh Vimal & Co., Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure C** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **RISK MANAGEMENT POLICY**

The Company has adopted a Risk Management policy in accordance with the provision of Companies Act 2013 and Clause 49 of Listing Agreement. It established various level of accountability and overview within the company, while vesting identified manager with responsibility for each significant risk.

## **DETAILS OF SIGNIFICANT & MATERIAL ORDERS IMPACTING THE GOING CONCERN STATUS/ COMPANY'S OPERATIONS IN FUTURE**

No significant/ material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company or company's operations in future.



## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company. Remuneration of KMP and Sitting fees paid to Independent Directors are provided in Annexure B i.e. Extract of Annual Return Form No. MGT-9. There was no employee of the Company except Executive Directors employed through out the year who was in receipt of the remuneration exceeding Rs. 60 Lacs per annum.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is enclosed as per **Annexure D** and forms part of this report.

## INDUSTRIAL RELATIONS

Industrial relations have remained cordial throughout the year in the Company at all of its units.

## ENVIRONMENT, HEALTH, SAFETY AND SOCIAL RESPONSIBILITY

Your Company is committed in maintaining the highest standards of environment compliances and therefore adopted a systematic approach towards environment management by embedding a vision of being an 'Injury Free' and 'Zero Environment Incident' organisation. Over the past many years, your Company has been progressing well in terms of reducing injury frequency rates and has improved the safety records.

Your Company is environment-conscious and committed to making a positive contribution to the communities where it operates. The Company has been proactively pursuing measures and reaching out to the communities surrounding the areas of its operations by extending support and lending a helping hand to some very credible social institutions that are committed to address social causes.

Your Company has been certified for Occupation, Health and Safety (OHSAS)18001:2007 from Bureau Veritas during FY 2012-13, which is valid for three years. Your Company is committed for safety and occupational health & compliance with applicable safety and occupational health legislation, regulations and other requirements. All incidents/ accidents are investigated and analysed to prevent reoccurrence and improve upon safety record.

## CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION AS WELL AS FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not imported any foreign technology and hence, the company does not have any information to offer in respect of Technology absorption. However, information in respect of Conservation of energy & foreign exchange earnings and outgo is enclosed in **Annexure E**.

## COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The requisite details as required under Section 134(3)(e), Section 178(3) & (4) and Clause 49 of the Listing Agreement are annexed as **Annexure F** to this report.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, IF ANY, DURING THE PERIOD FROM 31<sup>ST</sup> MARCH, 2015 TO THE DATE OF THE REPORT

There has no material change/ commitment affecting the financial position of the Company during the period from the end of the financial year on 31<sup>st</sup> March, 2015 to the date of the Report.

## ACKNOWLEDGEMENTS

The Company would like to thank all of its Stakeholders, including inter alia Suppliers, Vendors, Investors and Bankers and appreciation to all its customers for their consistent, abiding support throughout the year.

Your Company also records its appreciation of the contributions made by employees at all levels. Their commitment, cooperation and support are indeed the backbone of all endeavors of the Company.

The Company would like to acknowledge Government of India, Customs and Excise Departments, Income Tax Department, Industrial & Labour Departments, Government of Gujarat, Government of Haryana, Government of Uttarakhand and other government agencies for the support; the Company has been receiving over the years and is looking forward to their continued support/guidance in times to come.

For and on behalf of the Board  
Munjral Auto Industries Limited

Date : 29<sup>th</sup> May, 2015  
Place : Waghodia

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080



## ANNEXURE -A

### Annual Report on CSR Initiatives

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the web link [www.munjalauto.com](http://www.munjalauto.com). The CSR policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the group and applicability, scope (area/localities to be covered and activities), resources, identification and approval process (resources/fund allocation, identification process and approval process) modalities of execution and implementation and monitoring.

2. CSR Committee comprises of :

Mr. Vikram Shah, Chairman

Mr. Naresh Kumar Chawla, Member

Mr. Sudhir Kumar Munjal, Member

Mrs. Anju Munjal, Member

Mr. Anuj Munjal, Member

3. Average net profit of the company for last three financial years: Rs. 46.47 Crore
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 92.94 Lacs
5. Details of CSR spent during the financial year:
  - a) Total amount to be spent for the financial year: Rs. 92.94 Lacs
  - b) Amount spent : Rs. 37.99 Lacs
  - c) Amount unspent : Rs. 54.95 Lacs
  - d) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs.)	Amount spend on the projects or programs sub-heads (1) Direct Expenditure on projects or programmes (2) Overheads Rs.	Cumulative expenditure upto the reporting Period (Rs.)	Amount Spent: Direct or through implementing agency*
1	Prime Minister National Relief Fund	Relief Fund	Flood in Jammu & Kashmir	11,00,000	11,00,000	11,00,000	Agency : Prime Minister National Relief Fund, New Delhi
2	Old age home to look after homeless - abandoned senior citizens.	Health Care	New Delhi	9,24,239	9,24,239	9,24,239	Agency : The Earth Saviours Foundation, New Delhi
3	Special Education, medical intervention including preventive health care in Disability/Social Sector	Education and Health care	Vadodara, Gujarat	6,00,000	6,00,000	6,00,000	Agency : Disha Charitable Trust, Vadodara, Gujarat
4	Promoting education for impaired/disabled	Education and employment	Vadodara, Gujarat	3,50,000	3,50,000	3,50,000	Agency : Akshar Trust Vadodara, Gujarat
5	Health improvement	Health Care - Children victims from Cancer	Ludhiana ,Punjab	2,50,000	2,50,000	2,50,000	Agency : Arpita Cancer Society for Children Ludhiana, Punjab
6	Promoting education to Orphans	Education	Kutch Gandhidham, Gujarat	1,00,000	1,00,000	1,00,000	Agency : Arya Samaj, Kutch, Gandhidham, Gujarat
7	Health improvement	Health Care	Sabar Kaantha, Gujarat	2,50,000	2,50,000	2,50,000	Agency : Vaanprastha Saadhak Aashram, Sabar Kaantha, Gujarat
8	Community development	Community development	Morbi, Gujarat	1,00,000	1,00,000	1,00,000	Agency : Shri Maharishi Dayanand Saraswati Smarak Trust: Morbi, Gujarat
9	Promoting Culture	Promotion of culture	Vadodara, Gujarat	1,25,000	1,25,000	1,25,000	Agency : Komal Nishad Charitable Trust, Vadodara, Gujarat
Total				37,99,239	37,99,239	37,99,239	



6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report:

As mentioned in the Directors Report, the shortfall in the spend Rs. 54.95 during the year is intended to be utilized in a phased manner in coming years upon identification of suitable projects in accordance with the Company's CSR Policy.

7. Responsibility Statement

CSR Committee confirms that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

Place : Waghodia  
Date : 29<sup>th</sup> May, 2015

Vikram Shah  
Chairman-CSR Committee  
DIN : 00007914

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080



**ANNEXURE B TO DIRECTORS REPORT**

**FORM NO. MGT.9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2015**

**[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	: L34100GJ1985PLC007958
ii) Registration Date	: 12-07-1985
iii) Name of the Company	: Munjal Auto Industries Limited
iv) Category / Sub-Category of the Company	: Company Limited by shares
v) Address of the Registered office and contact details	: 187, GIDC Industrial Estate, Waghodia, Vadodara - 391760 Tel. No. (02668)262421-22, Fax No. (02668)262427
vi) Whether listed company Yes / No	: Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: MCS Share Transfer Agent Limited, 10, Aram Apartment, 12, Sampatrao Colony, B/h Laxmi Hall, Alkapuri, Vadodara- 390 007 (Gujarat) Tel.: +91 265 2339397, Fax: +91 265 2341639 E-mail: mcsltdbaroda@yahoo.com; mcsvadodara@rediffmail.com

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% of total turn over of the Company
1	Manufacture of parts and accessories of three wheelers and motorcycles including side cars	30913	92%

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

S. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Thakurdevi Investments Private Limited, Hero Nagar, Ludhiana - 141003	U65921PB1979PTC004044	Holding Company	74.81%	2(87)(ii)

**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 (As on 31-March-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt		-	-	-	-	-	-	-	--
c) State Govt (s)		-	-	-	-	-	-	-	--
d) Bodies Corp.	3,74,03,225	-	3,74,03,225	74.81	3,74,03,225	-	3,74,03,225	74.81	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>3,74,03,225</b>	<b>-</b>	<b>3,74,03,225</b>	<b>74.81</b>	<b>3,74,03,225</b>	<b>-</b>	<b>3,74,03,225</b>	<b>74.81</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>3,74,03,225</b>	<b>-</b>	<b>3,74,03,225</b>	<b>74.81</b>	<b>3,74,03,225</b>	<b>-</b>	<b>3,74,03,225</b>	<b>74.81</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	10,000	500	10,500	0.02	10,715	500	11,215	0.02	-
b) Banks/FI	750	24,955	25,705	0.05	6,380	24,955	31,335	0.06	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	84,900	-	84,900	0.17	1,09,900	-	1,09,900	0.22	0.05
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>95,650</b>	<b>25,455</b>	<b>1,21,105</b>	<b>0.24</b>	<b>1,26,995</b>	<b>25,455</b>	<b>1,52,450</b>	<b>0.30</b>	<b>0.06</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	15,82,054	29,500	16,11,554	3.22	14,93,185	29,500	15,22,685	3.05	-0.17
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	73,35,730	13,80,240	87,15,970	17.43	74,30,794	13,32,790	87,63,584	17.53	0.10
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	13,41,723	-	13,41,723	2.68	13,10,788	-	13,10,788	2.62	-0.06
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	1,95,903	32,750	2,28,653	0.46	2,01,921	32,500	2,34,421	0.47	0.01
Others (HUF)	5,77,770	-	5,77,770	1.16	6,12,847	-	6,12,847	1.23	0.07
<b>Sub-Total (B)(2):-</b>	<b>1,10,33,180</b>	<b>14,42,490</b>	<b>1,24,75,670</b>	<b>24.95</b>	<b>1,10,49,535</b>	<b>13,94,790</b>	<b>1,24,44,325</b>	<b>24.89</b>	<b>-0.06</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1,11,28,830</b>	<b>14,67,945</b>	<b>1,25,96,775</b>	<b>25.19</b>	<b>1,11,76,530</b>	<b>14,20,245</b>	<b>1,25,96,775</b>	<b>25.19</b>	<b>-</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>									
<b>Grand Total (A+B+C)</b>	<b>4,85,32,055</b>	<b>14,67,945</b>	<b>5,00,00,000</b>	<b>100</b>	<b>4,85,79,755</b>	<b>14,20,245</b>	<b>5,00,00,000</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2014)			Share holding at the end of the year (As on 31.03.2015)			% change in share holding during 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	
1	Thakurdevi Investments Private Limited	3,74,03,225	74.81%	NIL	3,74,03,225	74.81%	NIL	NIL
	<b>Total</b>	<b>3,74,03,225</b>	<b>74.81%</b>	<b>NIL</b>	<b>3,74,03,225</b>	<b>74.81%</b>	<b>NIL</b>	<b>NIL</b>

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

S. 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
1	At the beginning of the year	3,74,03,225	74.81%	3,74,03,225	74.81%
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	NIL	Nil	NIL	Nil
3	At the End of the year	3,74,03,225	74.81%	3,74,03,225	74.81%

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

S.No.	Name of Share Holder	As on 01.04.2014	%	As on 31.03.2015	%
1	Rajan Vasudev Dapki	2,09,612	0.42	1,15,000	0.23
2	Jayakumar C	2,00,560	0.40	2,00,560	0.40
3	Kotak Mahindra Investments Ltd.	1,42,110	0.28	1,38,382	0.28
4	Purvi Saurabh Parikh	1,25,000	0.25	-	-
5	Anita Rawat	1,20,000	0.24	1,20,000	0.24
6	Kanubhai Ratilal Sheth	1,17,500	0.24	1,17,500	0.24
7	V Jayam	1,07,244	0.21	1,00,244	0.20
8	Laurel Securities Pvt. Ltd.	1,03,530	0.21	1,03,530	0.21
9	Sheth Commercial Pvt. Ltd.	1,02,850	0.21	1,02,850	0.21
10	Shresth Enterprises Pvt. Ltd.	1,00,000	0.20	-	-
11	Swiss Finance Corporation (Mauritius) Ltd.	-	-	1,09,900	0.22
12	Kiran S Coelho	-	-	1,00,000	0.20

## (v) Shareholding of Directors and Key Managerial Personnel

S. 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				
1	Smt. Anju Munjal, WTD	311	0.0006	311	0.0006
2	Shri Naresh Kumar Chawla, Director	250	0.0005	250	0.0005
	Date wise Increase / Decrease in Share holding during the yearspecifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the end of the year				
1	Smt. Anju Munjal			311	0.0006
2	Shri Naresh Kumar Chawla			250	0.0005

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	82,06,96,551	-	-	82,06,96,551
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	57,81,978	-	-	57,81,978
<b>Total (i+ii+iii)</b>	<b>82,64,78,529</b>	-	-	<b>82,64,78,529</b>
Change in Indebtedness during the financial year				
• Addition	18,00,00,000	-	-	18,00,00,000
• Reduction	19,93,06,836	-	-	19,93,06,836
Net Change	-1,93,06,836	-	-	-1,93,06,836
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	80,13,89,715	-	-	80,13,89,715
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	78,57,344	-	-	78,57,344
<b>Total (i+ii+iii)</b>	<b>80,92,47,059</b>	-	-	<b>80,92,47,059</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri Sudhir Kumar Munjal - CMD	Smt. Anju Munjal -WTD	Shri Anuj Munjal - WTD	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	192.00	117.60	130.23	439.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.93	34.12	.32	37.37
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit				
	- others, specify...	-	-	-	-
5.	Others, please specify				
	a) Company's contribution to the provident Fund	11.52	10.08	8.65	30.24
	b) Company's contribution to Superannuation scheme	9.60	8.40	7.20	25.20
	c) Gratuity	4.61	4.04	3.46	12.11
	Total (A)	<b>220.66</b>	<b>174.23</b>	<b>149.86</b>	<b>544.75</b>
	Ceiling as per the Act				<b>544.75</b>

### B. Remuneration to other directors

(Rs. In Lacs)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Independent Directors						
		Shri Vikram Shah	Shri Naresh Kumar Chawla	Shri Mahendra Sanghvi	Shri Ramkisan Devidayal	Shri Sudesh Kumar Duggal	Shri Jal Ratanshaw Patel	
	• Fee for attending Board/ Board committee meetings	2.46	1.70	1.40	2.00	.80	1.20	9.56
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	2.46	1.70	1.40	2.00	.80	1.20	9.56
4.	Other Non-Executive Directors							
	• Fee for attending board committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	2.46	1.70	1.40	2.00	.80	1.20	9.56
	Total Managerial Remuneration	<b>2.46</b>	<b>1.70</b>	<b>1.40</b>	<b>2.00</b>	<b>.80</b>	<b>1.20</b>	<b>9.56</b>
	Overall Ceiling as per the Act							



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. In Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	11.12	27.22	38.34
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.47	0.42	0.89
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify				
	a) Company's contribution to the provident Fund	-	0.71	1.54	2.25
	b) Company's contribution to Superannuation Fund	-	0.59	1.29	1.88
	c) Gratuity	-	0.28	0.62	0.80
	d) Others	-	0.61	1.78	2.39
	<b>Total</b>	-	<b>13.78</b>	<b>32.87</b>	<b>46.55</b>

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

FOR AND ON BEHALF OF THE BOARD

Date : 29<sup>th</sup> May, 2015  
Place : Waghodia

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080



## ANNEXURE TO THE DIRECTORS' REPORT

Details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.N. Particulars						
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	<b>Whole time Directors</b>				
		CMD	WTD	WTD		
		107	85	73		
		X	X	X		
ii.	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manger, if any of the Financial Year	<b>Whole time Directors</b>			<b>KMPs</b>	
		CMD	WTD	WTD	CFO *	CS
		-7.85%	1.30%	8.36%	27.17%	15.44%
iii.	The % increase in the median remuneration of employees in the financial year	10.37%				
iv.	The number of permanent employees on the rolls of Company.	1147				
v.	The explanation on the relationship between average increase in remuneration and Company performance.	Annual Increase in remuneration is based on the remuneration policy for different grades, industry pattern,				
vi.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	qualifications and experience, responsibilities shouldered and individual performance of the Key Managerial personnel & other employees and also performance of the Company				
vii.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer .			<b>2014-15</b>	<b>2013-14</b>	
		Market Capitalization		Rs.358.50 Cr.	Rs.257.75 Cr.	
		PE Ratio		9.42	5.41	
		Last Public Offer Market Quotation		NA	NA	
viii.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	% Increase in		<b>2014-15</b>	<b>Justification/Remarks</b>	
		Salaries of Employees		11.01%		
		Managerial Remuneration		-0.91%		
ix.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	<b>Particulars</b>			<b>% of Net Sales for F.Y 2014-15</b>	
		CMD			0.25%	
		WTD			0.20%	
		WTD			0.17%	
		CFO			0.04%	
		CS			0.01%	
x.	The key parameters for any variable component of remuneration availed by the directors.	Key parameters of Whole time Directors' variable remuneration includes components like incentive on growth of top-line and growth in profitability.				
xi.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year and	NOT APPLICABLE				
xii.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the remuneration policy of the Company.				

\* includes increase for relocation to meet increased cost of leaving.

**ANNEXURE C**  
**SECRETARIAL AUDIT REPORT**  
**Form No. MR-3**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Munjral Auto Industries Ltd,  
187, GIDC Industrial Estate  
Waghodia  
Dist: Baroda-391760

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Munjal Auto Industries 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 Munjal Auto Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company 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 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Further, we confirm that as per representation of management letter there are no laws specifically applicable to the Company considering its product, process or location. We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.



During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (a) Since the Company has not issued any securities during the period under review:
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), guidelines, 1999
  - The Securities and Exchange board of India (Issue and Listing of Debt Securities) Regulations, 2008
- were not applicable during the period under review.
- (b) In view of neither delisting of Equity Shares nor buy back of any security of the Company,
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 were not applicable during the period under review,
- (c) Secretarial Standards issued by the Institute of Company Secretaries of India were not mandatorily applicable during the period under review.

**We further report that**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** 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 the Company has

- (i) Obtained approval of members at their Annual General Meeting held on 8<sup>th</sup> August, 2014 by way of Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013 authorizing the Board of Directors of the Company to borrow upto Rs. 200 Crores
- (ii) Obtained approval of members through postal ballot on 3<sup>rd</sup> January, 2015 by way of Special Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors of the Company to secure borrowings by/lease or otherwise disposing of the undertaking(s) of the Company (other than sale)

Date : 28<sup>th</sup> May, 2015  
Place : Vadodara

For Devesh Vimal & Co.  
Practising Company Secretaries

CS Devesh A. Pathak  
Partner  
FCS: 4559  
CP No. 2306

**ANNEXURE - D  
MANAGEMENT DISCUSSION & ANALYSIS**

**Indian Economy and Business Outlook**

Riding on the crest of optimism triggered by decisive mandate-providing general elections in India in May 2014, the year in retrospect can be regarded as a mixed bag of optimism and continuing challenges from the business outlook perspective. Indian Economy did achieve a respectable GDP growth of 6.9 percent in Year 14-15, one of the highest among major economies of the world; appears to be coming out of the sub-five percent growth it was in grip of in last three years.

The new government is intent on working out a roadmap for boosting many sectors of the Economy to regain the traction of high growth of 9-10 percent in GDP; a sine qua non requirement for a sustainable improvement in the quality of living conditions of millions of people in India. Several recent initiatives of the Government, notably of removing bottlenecks in infrastructure, setting of smart cities and e-governance and MAKE IN INDIA clarion call to absorb large chunk of youths and adults in gainful economic activities are emanating the right signals. These initiatives, if converted into diligently implemented deliverables, will give a fillip to the investment activities that are sagged for the last 3-4 years. Downward pressure on crude oil and other major commodity prices in international market that has been experienced in last one year will work to the advantage of an energy-intensive and import-dependent economy like that of India is.

There are some areas of concerns and challenges as well – particularly many overleveraged and cash starved business entities are increasing the Non-performing Assets and risk-profile of banks in India. The equity market in primary sector to garner fresh resources it badly needs to deleverage their balance sheets and fund future growth needs.

**Automotive Sector**

It continued to remain sluggish for the fourth consecutive year with flat or slightly negative growth in most of the sectors across the automobile industry. Two wheeler segment with which your company's business is inextricably aligned too has performed sub-optimally and in particular the motor cycle market has remained lackadaisical in last three years. Following table is a pointer to this sub-optimal growth in the motorcycle market in last three years.

Segment	Two Wheeler Trends of Domestic Sales			YOY Growth	
	FY 13	FY14	FY15	FY14	FY15
Scooter	29,23,424	36,02,743	45,05,529	23.2%	25.1%
Motor-cycles	1,00,85,000	1,04,81,115	1,07,43,549	3.9%	2.5%
Mopeds	7,88,761	7,22,920	7,55,503	-8.3%	4.5%
	<b>1,37,97,185</b>	<b>1,48,06,778</b>	<b>1,60,04,581</b>	<b>7.3%</b>	<b>8.1%</b>

Unless there is a vigorous rebound in auto sector and within it in particular two-wheeler segment, the cascading effect on operations of your company will be felt in the coming year.

Your company's performance in 2014-15 has to be viewed amid this challenging macro environment that prevailed throughout the year.

**Automotive Sector**

Indian auto industry has been recording tremendous growth over the years and has emerged as a major contributor to India's gross domestic product (GDP). The industry currently accounts for almost 7 per cent of our GDP and employs about 19 million people both directly and indirectly.

Automotive industry occupies a significant place in the Indian economy. India is emerging as a global hub for auto component sourcing and is set to break into the league of the top five vehicle producing nations worldwide. Country is also emerging as a sourcing hub for engine components. Indian auto component sector covers a wide range of industries, including engine parts, drive transmission and steering parts, body and chassis, suspension and braking parts, equipment and electrical parts, besides others.

Indian auto component industry is estimated to have a US\$ 66 billion turnover by 2015–16 and is expected to grow at a 14 per cent compound annual growth rate (CAGR) during 2014–2021, according to Automotive Component Manufacturers' Association of India (ACMA) – the nodal agency for the Indian auto component industry. In addition, industry exports are estimated to reach US\$ 12 billion by 2015–16.

**Risks and Concerns – Automotive Sector**

Any company's business is inherently exposed to many internal and external risks. Your Company has put in place robust systems and processes, along with appropriate internal review mechanisms to actively monitor, manage and mitigate these risks on an ongoing basis. Some of the risks are listed below:

**- Raw Materials, Conversion Costs & Pressure on Margins**

In recent years, the sluggish auto sector demand has accentuated the pressure from principal customer to reduce prices of the components made by the company. Relatively high inflationary pressure coupled with high content of Raw materials & components in the final cost of company's products will exuberate the pressure on margins. Control over other conversion costs also, despite stringent cost controls is not assuaging enough the pressure and in the coming year, it will be telling upon the margins of the products with very constrained pricing power at its command.



It will be difficult for the company to maintain the profitability it has achieved in recent past, so it seems in the present challenging business environ in auto sector. Erratic and deficient monsoon thus far in many parts of the country could have an adverse impact on rural income dependent demand; two wheeler vehicles' major portion of demand is derived from and falls in that category of rural/semi urban populace disposable income level.

- **Environment Regulations**

Stringent regulatory norms are being introduced to safeguard the environment, especially in the area of emissions.

**Future Outlook**

Your Company's DNA attributes – thrift in operational costs, accent on quality manufacturing and forward-looking policies – will help it stay in good stead. Notwithstanding the same, coming year is slated to be quite challenging on all fronts, specially the operating margins retention of immediate past few years.

- **Research and Development**

As times are becoming more competitive, it is imperative that we move away from being a commodity supplier towards becoming a system supplier. Company has outsourced the R&D capability by entering into a tie up with reputed European technology firm. The technical inputs of latest trends in designing auto components will be available for the company to avail and absorb and be better equipped in enhancing/improving manufacturing with this tie up.

- **Increased Product Range**

Company is also constantly working on broadening its product portfolio. From manufacturing exclusively Rims and Mufflers until few years back, your company today manufactures, other than mufflers, fuel tanks for cars, and chassis components like B & C Pillars and impact beams. The new outsourced technological capabilities will help make foray into greater range and more sophisticated applications in sheet metal components, which is your company's core and focused business arena.

- **Continuous Improvement and Automation**

As the business environment gets more competitive, it is imperative that we constantly look for better ways of doing work. In the past year, your company has gone in for various automations like robotic welding, robotic painting, tool manufacturing and upto 1000 ton presses. Tool Room set up at Bawal in Haryana at an investment of INR 30 crore will further pave the way for improvement and quality ingredients for various components that Company manufactures.

- **Forward Looking Statements**

Statements forming part of the Management Discussion and Analysis covered in this report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include demand and supply conditions, changes in government regulations, exchange rates, tax laws, monsoon, natural hazards, economic developments within the country and other factors.



## ANNEXURE E TO THE DIRECTORS' REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under the Companies (Accounts) Rules, 2014

### A. Conservation of Energy and Technology Absorption

The Management is perusing energy conservation with considerable focus and commitment. Effective use of energy, particularly in the hard core manufacturing processes of the company. Optimal utilization of various energy resources like power, fuel and oil is ensured by ongoing measures/steps that improve power factor and other consumption.

The Company has processes to measure, monitor and improve environmental performance through various initiatives focusing on energy, water and waste. Water efficiency and conservation initiatives, rainwater harvesting systems, domestic sewage treatment and recycling facilities are a part of design in all its units towards becoming zero water discharge.

### 2. Foreign Exchange Earnings and outgo

	(Rs. in Lacs)	
	2014-15	2013-14
(a) Total Foreign Exchange Earnings	1337.59	833.10
(b) Total Foreign Exchange Outgo	545.19	622.61



## ANNEXURE - F

### POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

#### REMUNERATION POLICY

In accordance with the provisions of section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

#### I. PREAMBLE

This Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013, read with the applicable rules thereto and Clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges, as amended from time to time. This policy has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors based on the recommendations of the NRC.

#### II. OBJECTIVE

The objective of the policy is to ensure that:

- (i) The level of composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### III. COMPLIANCE WITH APPLICABLE LAWS

The procedure and limits for payment of remuneration under this policy shall be in accordance with provisions of (a) the Companies Act, 2013 read with rules framed there under (b) Listing Agreement with Stock Exchanges (c) Articles of Association of the Company and (d) any other applicable law or regulations. In the absence of any of the above provisions, the procedure and limits shall be governed by the prevailing HR policy of the Company.

#### IV. REMUNERATION TO NON-EXECUTIVE DIRECTORS

Sitting fees within the limits prescribed under the Companies Act, 2013 and rules framed there under for attending meeting of the Board and Committees thereof.

#### V. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Remuneration to key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### VI. REMUNERATION TO OTHER EMPLOYEES

##### Components

Basic Salary, Allowances, Retiral Benefits, such other perquisites and/or incentives and/or bonus and/or Variable Incentive Pay based on factors as above, as may be decided by the Management from time to time as per HR policy.

#### CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT

In accordance with the provisions of Section 178 (3) of the Act read with Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purposes are as under:

##### Criteria for determining qualifications, positive attributes and independence of a director

#### I. QUALIFICATIONS

- (a) He/She should possess appropriate skills, experience and knowledge in or more fields of finance law, management, sales, marketing administration, research, corporate governance, technical operations or other disciplines related to the company's business.
- (b) Such qualifications as may be prescribed under the Companies Act, 2013 read with the rules framed there under and the Listing Agreement with Stock Exchanges.

## II. POSITIVE ATTRIBUTES

- (a) He/She should be person of integrity, with high ethical standard.
- (b) He/She should be able to commit to his/her responsibilities and devote sufficient time and attention to his/her professional obligation as a director.
- (c) He/She should be having courtesy, humility and positive thinking.
- (d) He/She should be knowledgeable and diligent in updating his/her knowledge.
- (e) He/She should have skills, experience and expertise by which the Company can benefit.
- (f) In respect of Executive/Whole time Director/ Managing Director, in addition to 1(a) & (b) and II (a) to (e) above, he/she should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented and ability to enhance reputation of the organization.

## III. INDEPENDENCE

In respect of an Independent director, in addition to 1(a) & (b) and II (a) to (e) above, he/she should fulfill the criteria for being appointed as an Independent Director prescribed under Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of Clause 49 of the Listing Agreement as amended from time to time.

Place : Waghodia  
Date : 29<sup>th</sup> May, 2015

For and on behalf of the Board

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080



## INDEPENDENT AUDITOR'S REPORT

To  
**THE MEMBERS OF  
MUNJAL AUTO INDUSTRIES LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of Munjal Auto Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

## ANNEXURE TO AUDITOR'S REPORT

- (f) 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, 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 B and H to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- For VAKIL JAIN & HINDOCHA  
Chartered Accountants
- Firm Registration No.112894W  
SURENDRA MODIANI  
PARTNER  
Membership No.047966
- Place : Vadodara  
Date : 29-05-2015
- Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Auditor's Report to the members of Munjal Auto Industries Limited for the year ended 31<sup>st</sup> March, 2015**
- i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;
  - (b) These fixed assets have been physically verified by the Management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification;
  - ii) (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - (c) The company is maintaining proper records of inventory. No Material discrepancies were noticed on physical verification thereof.
  - iii) The Company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act and therefore, the matters referred in paragraph (iii) (a) and (b) of the order are not applicable.
  - iv) 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 and fixed assets and for the sale of goods. There was no sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
  - v) The Company has not accepted deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, as applicable.
  - vi) According to our information, the company is not required to maintain cost records as specified by the Central Government under sub-section (1) of the section 148 of the Companies Act.
  - vii) According to the information and explanations given to us and as shown by our examination of the books of accounts:
    - (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it and no undisputed amounts payable in respect thereof were in arrears, as on the last day of the financial year, for a period of more than six months from the date they became payable.
    - (b) There are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute except demand to the extent of Rs.25,49,704/- (out of total demand of Rs.31,88,704/-) of valued added tax and Sales Tax under Gujarat VAT Act and Central Sales Tax Act pertaining to the Financial year 2002-03 against which appeals are pending before the Commissioner of Commercial Tax (Appeals).



- (c) Amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- viii) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the financial year and in the immediately preceding financial year.
- ix) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- x) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi) In our opinion, and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For VAKIL JAIN & HINDOCHA  
Chartered Accountants  
Firm Registration No.112894W

SURENDRA MODIANI  
PARTNER  
Membership No.047966

Place : Vadodara  
Date : 29-05-2015



## BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No	As at March 31, 2015	As at March 31, 2014
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHAREHOLDERS' FUNDS</u></b>			
Share Capital	2.1	100,000,000	100,000,000
Reserves and Surplus	2.2	1,969,383,628	1,763,396,601
		<u>2,069,383,628</u>	<u>1,863,396,601</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long Term Borrowings	2.3	589,408,335	576,166,600
Deferred Tax Liabilities (Net)	2.4	77,923,632	65,711,021
Long Term Provisions	2.5	60,503,774	42,043,460
		<u>727,835,741</u>	<u>683,921,081</u>
<b><u>CURRENT LIABILITIES</u></b>			
Short Term Borrowings	2.6	18,935,548	50,984,051
Trade Payables	2.7	858,870,448	860,674,103
Other Current Liabilities	2.8	322,576,912	358,722,695
Short Term Provisions	2.9	186,853,392	174,846,785
		<u>1,387,236,300</u>	<u>1,445,227,634</u>
<b>TOTAL</b>		<b><u>4,184,455,669</u></b>	<b><u>3,992,545,316</u></b>
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Fixed Assets			
- Tangible Assets	2.10	1,735,293,532	1,310,637,958
- Intangible Assets	2.11	19,568,417	4,646,603
- Capital Work in Progress	2.12	217,044,436	416,293,605
Long Term Loans and Advances	2.13	69,497,350	79,566,813
Other Non Current Assets	2.14	238,125,662	223,203,617
		<u>2,279,529,397</u>	<u>2,034,348,596</u>
<b><u>Current Assets</u></b>			
Current Investments	2.15	267,040,494	453,236,561
Inventories	2.16	407,839,163	281,428,523
Trade Receivables	2.17	1,095,318,164	1,036,433,029
Cash and Cash Equivalents	2.18	31,319,810	104,665,331
Short Term Loans and Advances	2.19	103,408,641	82,433,276
		<u>1,904,926,272</u>	<u>1,958,196,720</u>
<b>TOTAL</b>		<b><u>4,184,455,669</u></b>	<b><u>3,992,545,316</u></b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>			
	(1 & 2)		

As per our report attached  
**For Vakil Jain & Hindocha**  
Chartered Accountants  
Firm Registration No. 112894W

**Surendra Modiani**  
Partner  
Membership No. 47966

Waghodia  
Date : 29<sup>th</sup> May, 2015

S. K. Sharma  
CFO

Rakesh Johari  
Company Secretary

For and on behalf of the Board

Vikram Shah	Director
Naresh Kumar Chawla	Director
Mahendra Sanghvi	Director
Sudesh Kumar Duggal	Director
Jal Ratanshaw Patel	Director
Sudhir Kumar Munjal	Chairman
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia  
Date : 29<sup>th</sup> May, 2015



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	For the year ended March 31, 2015	(Amount in Rs.) For the year ended March 31, 2014
<b>Revenue from operations</b>			
Revenue from Operations (Gross)	2.20	9,688,072,633	8,877,203,079
Less : Excise Duty		805,527,801	712,529,277
Revenue from Operations (Net)		<u>8,882,544,832</u>	<u>8,164,673,802</u>
Other Income	2.21	39,658,401	42,039,377
<b>Total Revenue</b>		<u><b>8,922,203,233</b></u>	<u><b>8,206,713,179</b></u>
<b>Expenses:</b>			
Cost of Materials Consumed	2.22	6,671,406,424	6,190,420,177
Changes in Inventories of Finished Goods and Work in Progress	2.23	(25,699,904)	(9,514,956)
Employee Benefits Expenses	2.24	490,162,834	398,459,470
Finance Costs	2.25	86,322,632	60,147,579
Depreciation and Amortization Expenses	2.26	148,354,434	124,486,441
Other Expenses	2.27	1,058,746,422	948,848,208
<b>Total Expenses</b>		<u><b>8,429,292,842</b></u>	<u><b>7,712,846,919</b></u>
<b>PROFIT BEFORE TAX</b>		<b>492,910,391</b>	<b>493,866,260</b>
<b>Tax Expenses</b>			
Current Tax		96,070,731	100,859,091
Less : MAT Credit Entitlement		8,081,670	84,642,091
Net Current Tax		87,989,061	16,217,000
Deferred Tax		24,607,302	1,070,929
<b>PROFIT FOR THE YEAR</b>		<u><b>380,314,028</b></u>	<u><b>476,578,331</b></u>
<b>Earning per Equity Share (of Rs. 2/- each)</b>			
Basic		7.61	9.53
Diluted		7.61	9.53

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(1 & 2)

As per our report attached  
**For Vakil Jain & Hindocha**  
Chartered Accountants  
Firm Registration No. 112894W

**Surendra Modiani**  
Partner  
Membership No. 47966

Waghodia  
Date : 29<sup>th</sup> May, 2015

S. K. Sharma  
CFO

Rakesh Johari  
Company Secretary

For and on behalf of the Board

Vikram Shah	Director
Naresh Kumar Chawla	Director
Mahendra Sanghvi	Director
Sudesh Kumar Duggal	Director
Jal Ratanshaw Patel	Director
Sudhir Kumar Munjal	Chairman
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia  
Date : 29<sup>th</sup> May, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	For the year ended March 31, 2015	(Amount in Rs.) For the year ended March 31, 2014
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit Before Tax and Extra Ordinary Items</b>	<b>492,910,391</b>	<b>493,866,260</b>
Adjustments for :		
Depreciation	148,354,434	124,486,441
(Profit)/ Loss on sale of fixed assets (Net)	609,849	(428,719)
Net Gain on Foreign Exchange Rate Fluctuations	(1,965,786)	-
Profit on Sale of Investments	(3,324,111)	(10,590,488)
Diminution of Value of Investment	-	(796,991)
Interest Income	(1,193,289)	(1,019,991)
Interest Expenses and applicable foreign exchange fluctuations	86,322,632	61,913,908
Dividend Income	(21,465,935)	(15,200,866)
	<u>207,337,794</u>	<u>158,363,294</u>
<b>Operating Profit Before Working Capital Changes</b>	<b><u>700,248,185</u></b>	<b><u>652,229,554</u></b>
<u>(Increase) / Decrease in Working Capital :</u>		
Inventories	(126,410,640)	(21,039,635)
Trade Receivables	(58,885,135)	(315,779,788)
Other Current Assets	(20,956,451)	(37,548,953)
Trade Payables	(1,803,655)	153,860,623
Other Liabilities	(37,752,853)	60,886,845
	<u>(245,808,734)</u>	<u>(159,620,908)</u>
<b>Cash Generated from Operations</b>	<b><u>454,439,451</u></b>	<b><u>492,608,646</u></b>
Income Tax paid	(100,130,253)	(98,408,385)
<b>Net Cash from Operating Activities</b> ..... A	<b><u>354,309,198</u></b>	<b><u>394,200,261</u></b>
<b>B. Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets	(416,349,236)	(544,163,483)
Proceeds from Sale of Fixed Assets	2,940,741	1,956,360
Sale of Investments	3,688,106,926	2,770,105,725
Purchase of Investments	(3,477,120,814)	(2,587,670,747)
Dividend Received	21,465,935	15,200,866
Interest Received	1,137,022	889,802
<b>Net Cash used in Investing Activities</b> ..... B	<b><u>(179,819,426)</u></b>	<b><u>(343,681,477)</u></b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015 (Continued)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>C. Cash Flow from Financing Activities</b>		
Dividend paid	(125,000,000)	(100,000,000)
Dividend Distribution Tax paid	(21,243,750)	(16,995,000)
Interest paid	(82,284,707)	(61,527,798)
Proceeds from Long Term Borrowings	180,000,000	325,000,000
Repayment of Long Term Borrowings	(167,258,333)	(156,140,283)
Working Capital Finance from Banks	(32,048,503)	(3,950,780)
<b>Net Cash from Financing Activities</b> ..... C	<b>(247,835,293)</b>	<b>(13,613,861)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents</b>	(73,345,521)	36,904,923
<b>Cash and Cash Equivalents at the beginning of the year</b>	104,665,331	67,760,408
<b>Cash and Cash Equivalents at the end of the year</b>	31,319,810	104,665,331

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(1 & 2)

As per our report attached  
**For Vakil Jain & Hindocha**  
 Chartered Accountants  
 Firm Registration No. 112894W

**Surendra Modiani**  
 Partner  
 Membership No. 47966

Waghodia  
 Date : 29<sup>th</sup> May, 2015

S. K. Sharma  
 CFO

Rakesh Johari  
 Company Secretary

For and on behalf of the Board

Vikram Shah	Director
Naresh Kumar Chawla	Director
Mahendra Sanghvi	Director
Sudesh Kumar Duggal	Director
Jal Ratanshaw Patel	Director
Sudhir Kumar Munjal	Chairman
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia  
 Date : 29<sup>th</sup> May, 2015

## 1. Significant Accounting Policies

### Company Overview

Munjal Auto Industries Limited is a manufacturing company engaged in manufacture of Exhaust systems, Wheels, Rims, Fuel tanks and other components for Auto Industries.

### 1.1 Basis of Preparation of Financial Statement

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and comply with mandatory accounting standards which are applicable under the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use, or as otherwise disclosed.

### 1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### 1.3 Revenue Recognition

Revenue is primarily derived from Sales of auto components.

- a) Sales are accounted inclusive of excise duty but net of Sales tax / Value added tax.
- b) Sales are accounted on the date of removal of goods from the factory.

Interest income is recognized on time proportion basis.

Dividend Income is recognized when the right to receive dividend is established

### 1.4 Provisions and Contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 1.5 Employees Benefits

#### a. Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. Actuarial gains / losses are charged to revenue in the year in which they arise. The Company contributes to a scheme administered by the Life Insurance Corporation of India to discharge the liabilities to the employees by policy taken for this purpose with LIC of India in the name of "Munjal Auto Industries Limited Employees' Gratuity Trust".

#### b. Other long term employee benefits :

Other long-term employee benefit viz., leave encashment is recognized as an expense in the Statement of Profit and Loss as and when it accrues. The Company determines the liability using the Projected Unit Credit Method with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefit are charged to the Statement of Profit and Loss.



### **c. Superannuation**

The Company makes contribution to a scheme administered by the Life Insurance Corporation of India to discharge superannuation liabilities to the employees. The Company has no obligations to the Plan beyond its monthly contributions.

### **d. Provident Fund**

Both the employees and the Company make monthly contributions to the provident fund equal to a specified percentage of the covered employees' salary. Contributions of the company are recognized as expense in profit and loss account as and when these are incurred.

## **1.6 Fixed assets, Intangible Assets and Capital Work in Progress**

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Cost of leasehold land has not been amortised over lease period due to the long tenure of the lease and smallness of amount.

## **1.7 Depreciation and Amortization**

Depreciation has been provided as per straight-line method in the manner and at the rates specified in Schedule II of the Companies Act, 2013 except that in case of expenditure on software. Cost of software is amortised over 3 to 10 years considering its useful life.

## **1.8 Foreign Currency Transactions**

Transactions in Foreign Currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary items denominated in foreign currencies outstanding at the year-end are restated in Indian Rupees at the rates prevailing on the date of the balance sheet.

Any gain or loss on account of exchange difference either on a settlement of the obligation or on a translation is recognized in the statement of Profit & Loss.

## **1.9 Income Taxes**

Income tax is accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

Deferred tax in respect of Haridwar Unit availing deduction under section 80IC of Income Tax Act, 1961 in respect of timing differences which reverse during tax holiday period, are not recognized to the extent the income is subject to deduction.

## **1.10 Earnings per Share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

## **1.11 Borrowing Costs**

Borrowing Costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the assets till the asset is ready for use. Interest on other borrowing is charged to Profit & Loss Account.

## **1.12 Investments**

Current Investments are stated at cost or fair value whichever is lower, determined on individual investment basis.

## **1.13 Inventories**

Inventories other than scrap are valued at cost or net realisable value whichever is lower. Cost of purchases is ascertained on weighted average method.

Scrap is valued at estimated net realisable value.

Cost of Work in Process and Finished Goods include cost of materials and other inputs plus appropriate share of labour and overheads. Excise duty is included in the value of finished goods inventory.

## **1.14 Impairment of Assets**

The Carrying amounts of fixed assets are reviewed at each balance sheet date to ascertain whether there is any indication of impairment in their value caused by any internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, recoverable amount being the greater of the assets' net selling price and value in use.

## **1.15 Operating Leases**

Lease charges paid for operating leases are charged to profit and loss account on a straight-line basis over the lease term. Initial direct expenses at the time of inception of lease are charged to Profit & Loss Account.

## **1.16 Warranty Claims**

Provision is made for estimated liability on account of warranty claims, the cost of replacement of goods sold as per the terms of warranty, based on historical information and corrective actions to reduce the claims.

## **1.17 Provisions and Contingencies**

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but disclosed in the note.

## **1.18 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.





## 2 NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Note No	Particulars	As at March 31, 2015	As at March 31, 2014
<b>2.1</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	100,000,000 (100,000,000) Equity Shares of Rs.2/- (Rs.2/-) each	200,000,000	200,000,000
	Unclassified Shares	50,000,000	50,000,000
		<b>250,000,000</b>	<b>250,000,000</b>
	<b>Issued, Subscribed and Paid-Up</b>		
	50,000,000 (50,000,000) Equity Shares of Rs.2/- (Rs.2/-) each	100,000,000	100,000,000
		<b>100,000,000</b>	<b>100,000,000</b>

### Rights, preferences and restrictions attached to shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.2/- (Previous year Rs.2/-). Each holder of Equity Shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the number of share capital as at March 31, 2015 and March 31, 2014 is set out below;

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning	50,000,000	100,000,000	50,000,000	100,000,000
Number of Shares at the end	50,000,000	100,000,000	50,000,000	100,000,000

### Shares in the company held by each Shareholder holding more than 5% shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	%	No. of Shares	%
Thakur Devi Investments Private Limited (Holding Company)	37,403,225	74.81%	37,403,225	74.81%

Note No	Particulars	As at March 31, 2015	As at March 31, 2014
<b>2.2</b>	<b>RESERVE &amp; SURPLUS</b>		
	<b>Capital Reserve</b>		
	Profit on re-issue of forfeited shares	209,150	209,150
	<b>General Reserve</b>		
	Opening Balance	284,872,738	237,214,905
	Add : Transferred from Statement of Profit and Loss	-	47,657,833
	Closing Balance	284,872,738	284,872,738
	<b>Surplus in Statement of Profit and Loss</b>		
	Opening Balance	1,478,314,713	1,195,637,965
	Add : Profit for the year	380,314,028	476,578,331
	Less : Adjustment for depreciaiton as per Note 2.28 Q	23,879,942	-
	Total	1,834,748,799	1,672,216,296
	Less :		
	- Dividend @ Rs. 2.50/- per Share (Previous year Rs.2.50/- per Share)	125,000,000	125,000,000
	- Dividend Tax	25,447,059	21,243,750
	- Amount transferred to General Reserve	-	47,657,833
	Closing Balance	1,684,301,741	1,478,314,713
	<b>Total Balance</b>	<b>1,969,383,628</b>	<b>1,763,396,601</b>

## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Note No	Particulars	As at March 31, 2015	As at March 31, 2014
<b>2.3</b>	<b><u>LONG TERM BORROWINGS</u></b>		
	Term Loans from Banks	589,408,335	576,166,600
	- Secured (refer note no. 2.28 C)	<u>589,408,335</u>	<u>576,166,600</u>
<b>2.4</b>	<b><u>DEFERRED TAXES</u></b>		
	<b>Deferred Tax Liabilities</b>		
	Accumulated Depreciation	105,059,444	88,949,319
	<b>Deferred Tax Assets</b>		
	Employees Benefits deductible on payment	27,135,812	23,238,298
		<u>77,923,632</u>	<u>65,711,021</u>
<b>2.5</b>	<b><u>LONG-TERM PROVISIONS</u></b>		
	Provisions for Employee Benefits		
	- Leave Benefits	31,147,601	24,324,435
	- Gratuity	25,588,768	13,919,938
	Provision for Warranties	3,767,405	3,799,087
		<u>60,503,774</u>	<u>42,043,460</u>
	<b><u>CURRENT LIABILITIES</u></b>		
<b>2.6</b>	<b><u>SHORT-TERM BORROWINGS</u></b>		
	Loans repayable on demand		
	From Banks	18,935,548	50,984,051
	- Secured	<u>18,935,548</u>	<u>50,984,051</u>
	These loans are secured by a first charge on inventories, receivables and all other current assets of the Company.		
<b>2.7</b>	<b><u>TRADE PAYABLES</u></b>	<u>858,870,448</u>	<u>860,674,103</u>
<b>2.8</b>	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	1 Current Maturities of Long Term Debts (refer note no. 2.28 C)	193,045,832	193,545,900
	2 Interest Accrued but not due on Borrowings	7,857,344	5,785,205
	3 Unpaid Dividends	7,352,552	6,096,552
	4 Other Payables		
	- Statutory Liabilities	37,789,279	17,685,354
	- Creditors for Purchase of Capital Goods	15,747,313	55,459,387
	- Salary and Other Benefits to Employees	31,657,403	44,258,547
	- Advances from Customer	15,061	7,709,400
	- Deposits from Contractors	2,979,679	2,864,172
	- Expenses Payable	26,132,449	25,318,178
		<u>322,576,912</u>	<u>358,722,695</u>



## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

Note No	Particulars	As at March 31, 2015	As at March 31, 2014
<b>2.9</b>	<b>SHORT-TERM PROVISIONS</b>		
a	Provisions for Employee Benefits		
-	Leave Benefits	25,272,979	17,521,664
-	Gratuity	9,046,766	8,944,178
b	Other Liabilities		
-	Provision for Warranties	1,855,588	1,871,193
-	Proposed Dividend	125,000,000	125,000,000
-	Provision for Tax on Dividend Wealth Tax	25,447,059 231,000	21,243,750 266,000
		<b>186,853,392</b>	<b>174,846,785</b>

### A. FIXED ASSETS Current Year

(Amount in Rs.)

PARTICULARS	Gross Block			Depreciation/ Amortisation Block				Net Block		
	As on April 1, 2014	Additions	Deduction	As at March 31, 2015	Opening Balance as on April 1, 2014	For the year period	Deduction	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>2.10 TANGIBLE ASSETS</b>										
Land										
- Freehold Land	162,669,102	-	-	162,669,102	-	-	-	-	162,669,102	162,669,102
- Leasehold Land	7,365,133	-	-	7,365,133	-	-	-	-	7,365,133	7,365,133
Building	426,048,905	126,419,353	-	552,468,258	80,330,660	56,176,381	-	136,507,041	415,961,217	345,718,245
Plant and Equipments	1,326,841,585	471,956,629	2,545,969	1,796,252,245	598,821,984	110,845,769	478,417	709,189,336	1,087,062,909	728,019,600
Furniture and Fixture	45,971,944	733,091	-	46,705,035	15,611,180	2,389,904	-	18,001,084	28,703,951	30,360,764
Vehicles	50,880,957	8,756,262	3,412,410	56,224,809	29,752,446	4,534,136	2,046,753	32,239,828	23,984,980	21,128,511
Office Equipments	15,817,392	1,378,074	134,492	17,060,974	4,715,753	6,009,047	53,630	10,671,170	6,389,805	11,101,639
Computers	14,292,742	2,577,928	247,155	16,623,515	10,017,780	3,659,935	210,634	13,467,081	3,156,435	4,274,963
	<b>2,049,887,760</b>	<b>611,821,337</b>	<b>6,340,026</b>	<b>2,655,369,072</b>	<b>739,249,802</b>	<b>183,615,173</b>	<b>2,789,436</b>	<b>920,075,539</b>	<b>1,735,293,532</b>	<b>1,310,637,958</b>
<b>2.11 INTANGIBLE ASSETS</b>										
Computer Software	25,221,072	15,935,731	-	41,156,803	20,574,469	1,013,916	-	21,588,385	19,568,417	4,646,603
	<b>25,221,072</b>	<b>15,935,731</b>	<b>-</b>	<b>41,156,803</b>	<b>20,574,469</b>	<b>1,013,916</b>	<b>-</b>	<b>21,588,385</b>	<b>19,568,417</b>	<b>4,646,603</b>
<b>2.12 CAPITAL WORK IN PROGRESS</b>									<b>217,044,436</b>	<b>416,293,605</b>

### B. FIXED ASSETS Previous Year

PARTICULARS	Gross Block			Depreciation/ Amortisation Block				Net Block		
	As on April 1, 2013	Additions	Deduction	As at March 31, 2014	Opening Balance as on April 1, 2013	For the year period	Deduction	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>2.10 TANGIBLE ASSETS</b>										
Land										
- Freehold land	162,669,102	-	-	162,669,102	-	-	-	-	162,669,102	162,669,102
- Leasehold land	7,365,133	-	-	7,365,133	-	-	-	-	7,365,133	7,365,133
Building	418,912,289	7,136,616	-	426,048,905	66,777,529	13,553,131	-	80,330,660	345,718,245	352,134,760
Plant and Equipments	1,176,212,398	151,756,808	1,127,621	1,326,841,585	500,622,810	98,421,625	222,451	598,821,985	728,019,600	675,589,588
Furniture and Fixture	45,352,055	619,889	-	45,971,944	14,518,799	1,092,381	-	15,611,180	30,360,764	30,833,256
Vehicles	45,202,888	10,787,226	5,109,157	50,880,957	26,951,538	7,812,794	5,011,887	29,752,446	21,128,511	18,251,350
Office Equipments	13,579,671	2,941,963	704,242	15,817,392	3,980,114	914,680	179,041	4,715,753	11,101,639	9,599,557
Computers	13,561,805	730,937	-	14,292,742	8,736,490	1,281,290	-	10,017,780	4,274,963	4,825,315
	<b>1,882,855,341</b>	<b>173,973,439</b>	<b>6,941,020</b>	<b>2,049,887,761</b>	<b>621,587,280</b>	<b>123,075,901</b>	<b>5,413,379</b>	<b>739,249,802</b>	<b>1,310,637,958</b>	<b>1,261,268,062</b>
<b>2.11 INTANGIBLE ASSETS</b>										
Computer Software	25,221,072	-	-	25,221,072	15,348,285	5,226,184	-	20,574,469	4,646,603	9,872,787
	<b>25,221,072</b>	<b>-</b>	<b>-</b>	<b>25,221,072</b>	<b>15,348,285</b>	<b>5,226,184</b>	<b>-</b>	<b>20,574,469</b>	<b>4,646,603</b>	<b>9,872,787</b>
<b>2.12 CAPITAL WORK IN PROGRESS</b>									<b>416,293,605</b>	<b>56,511,116</b>

## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

Note No	Particulars	As at March 31, 2015	As at March 31, 2014
<b>2.13</b>	<b><u>LONG TERM LOANS AND ADVANCES</u></b> (Unsecured, Considered Good)		
	Capital Advances	48,801,165	60,959,827
	Security Deposits	20,696,185	18,606,986
		<b><u>69,497,350</u></b>	<b><u>79,566,813</u></b>
<b>2.14</b>	<b><u>OTHER NON-CURRENT ASSETS</u></b>		
	MAT Credit entitlement	238,125,662	223,203,617
		<b><u>238,125,662</u></b>	<b><u>223,203,617</u></b>

<b><u>CURRENT ASSETS</u></b>		<b>As at March 31, 2015</b>		<b>As at March 31, 2014</b>	
2.15	<b><u>CURRENT INVESTMENTS</u></b>	<b>Unit</b>	<b>Amount</b>	<b>Unit</b>	<b>Amount</b>
	<b><u>INVESTMENT IN MUTUAL FUNDS (UNQUOTED)</u></b>				
	HDFC High Int Fund - Dynamic Plan	610,105	24,170,846	610,105	24,170,846
	HDFC Liquid Fund Growth	-	-	2,095,517	52,940,924
	HDFC Equity Fund	19,181	8,500,000	-	-
	HDFC Midcap Opportunities Fund	269,309	8,500,000	-	-
	HDFC Top 200 Fund	15,118	5,000,000	-	-
	Reliance Liquid Fund Growth Plan	21	67,999	88,669	276,693,919
	Reliance Small Cap Fund	228,042	5,011,922	-	-
	Reliance Liquid Fund	47,510	72,630,890	-	-
	Reliance Equity Opportunities Fund	67,584	5,000,000	-	-
	DSP Blackrock Microcap Fund	81,651	3,035,852	-	-
	ICICI Prudence Flexible Income Plan	162	41,313	-	-
	ICICI Prudence Value Discovery Fund	27,094	2,500,000	-	-
	ICICI Prudence Top Fund 100	33,361	7,500,000	-	-
	ICICI Prudence Banking and Financial Fund	148,334	5,000,000	-	-
	ICICI Equity Arbitrage Fund - GP	2,752,395	50,000,000	-	-
	IDFC Arbitrage Fund - GP	287,963	50,081,672	-	-
	IDFC Money Manager TPGT	-	-	995,232	20,021,178
	IDFC Fixed Term Plan	-	-	1,622,585	16,225,850
	IDFC Ultra Short Term Growth Plan	-	-	1,298,938	23,183,844
	IDFC Banking Debt Fund	1,828,103	20,000,000	1,828,102	20,000,000
	SBI Dynamic Bond Fund Growth	-	-	1,377,619	20,000,000
			<b><u>267,040,494</u></b>		<b><u>453,236,561</u></b>



## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

Note No	Particulars	As at March 31, 2015	As at March 31, 2014
<b>2.16</b>	<b><u>INVENTORIES</u></b>		
1	Raw Materials	253,724,673	153,932,088
2	Work in Process	60,749,166	60,537,698
3	Work in Process - Stock in Transit	30,280,422	11,293,905
4	Finished Goods	26,734,444	20,232,525
5	Store and Spares	36,350,458	35,432,307
		<b><u>407,839,163</u></b>	<b><u>281,428,523</u></b>
<b>2.17</b>	<b><u>TRADE RECEIVABLES</u></b>		
	(Unsecured Considered Good)		
	Debts outstanding for a period not exceeding six months from the date they are due for payment	1,095,318,164	1,036,433,029
		<b><u>1,095,318,164</u></b>	<b><u>1,036,433,029</u></b>
<b>2.18</b>	<b><u>CASH AND CASH EQUIVALENTS</u></b>		
	<b><u>BALANCE WITH BANKS IN FIXED DEPOSITS</u></b>		
-	Held as margin money or security against borrowings	248,570	3,510,557
	In Current Accounts	23,447,993	94,750,756
	Dividend Accounts	7,352,552	6,096,552
	Cash in Hand	270,695	307,466
		<b><u>31,319,810</u></b>	<b><u>104,665,331</u></b>
<b>2.19</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
	(Unsecured Considered Good)		
	<b><u>Balance with Government Authorities</u></b>		
	CENVAT / Service Tax Credit	63,141,882	46,856,096
	Excise duty - current account	2,395,279	2,414,677
	VAT / Sales tax credit	8,274,708	2,655,499
	Income Tax (net of provision)	2,051,846	4,132,731
		<b><u>75,863,715</u></b>	<b><u>56,059,003</u></b>
	<b><u>Others</u></b>		
	Loans and advances to Employees	1,595,499	351,192
	Advance to Suppliers	8,559,833	9,053,258
	Prepaid Expenses	10,601,104	10,490,632
	Others	6,788,490	6,479,191
		<b><u>27,544,926</u></b>	<b><u>26,374,273</u></b>
		<b><u>103,408,641</u></b>	<b><u>82,433,276</u></b>

## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Note Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>2.20 REVENUE FROM OPERATIONS</b>		
Sale of Products	9,614,163,414	8,813,341,131
Other Operating Revenues		
Sale of Scrap	73,909,219	63,861,948
	<b>9,688,072,633</b>	<b>8,877,203,079</b>
Less: Excise Duty	805,527,801	712,529,277
Revenue from Operations (Net)	<b>8,882,544,832</b>	<b>8,164,673,802</b>
Mufflers	8,812,003,906	8,115,100,527
Motorcycle Rims	240,936,788	229,075,834
Scooter Wheels	377,203,747	322,267,691
Other Components	184,016,973	146,897,079
	<b>9,614,161,414</b>	<b>8,813,341,131</b>
<b>2.21 OTHER INCOME</b>		
Interest Income		
- Interest from Fixed Deposit	431,042	831,787
- Interest from Others	762,247	188,204
Dividend Income		
- From Current Investments	21,465,935	15,200,866
- Net gain on sale of investment	3,324,111	10,590,488
- Cash Discount received	5,363,591	4,717,202
Dimnution in value of Investment written back	-	796,991
Net gain on foreign currency transaction and translation (other than considered as finance cost)	1,965,786	-
Other Non-Operating Income (Net of expenses directly attributable to such income)		
- Profit on Sales of Fixed Assets (Net)	-	428,719
- Liability / Provisions no longer required written back	3,563,704	7,397,178
- Miscellaneous Income	2,781,985	1,887,942
	<b>39,658,401</b>	<b>42,039,377</b>
<b>2.22 COST OF MATERIALS CONSUMED</b>		
Purchases of Raw Materials and Packing Materials	6,771,199,009	6,199,387,457
Add: Opening Balance of Stock	153,932,088	144,964,808
	<b>6,925,131,097</b>	<b>6,344,352,265</b>
Less: Closing Balance of Stock	253,724,673	153,932,088
Consumption of Materials	<b>6,671,406,424</b>	<b>6,190,420,177</b>
<b>Product wise details</b>		
CR and SS Strips	1,294,489,348	1,152,917,523
Nickel	220,328,735	192,721,515
Catalytic Converter	1,602,431,670	1,591,409,955
Paint & Chemicals	388,082,344	390,579,906
Components and BOPs	2,873,985,529	2,714,522,149
Others	292,088,798	148,269,130
	<b>6,671,406,424</b>	<b>6,190,420,177</b>



## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Note	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>2.23</b>	<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</u></b>		
	<b><u>Finished Goods</u></b>		
	At the beginning of the Accounting Period	20,232,525	30,594,484
	At the end of the Accounting Period	26,734,444	20,232,525
		<u>(6,501,919)</u>	<u>10,361,959</u>
	<b><u>Work in Progress</u></b>		
	At the beginning of the Accounting Period	60,537,698	43,981,870
	At the end of the Accounting Period	60,749,166	60,537,698
		<u>(211,468)</u>	<u>(16,555,828)</u>
	<b><u>Work in process - Stock in Transit</u></b>		
	At the beginning of the Accounting Period	11,293,905	7,972,818
	At the end of the Accounting Period	30,280,422	11,293,905
		<u>(18,986,517)</u>	<u>(3,321,087)</u>
	<b>Total</b>	<b><u>(25,699,904)</u></b>	<b><u>(9,514,956)</u></b>
<b>2.24</b>	<b><u>EMPLOYEE BENEFITS EXPENSES</u></b>		
	Salaries and Wages	415,137,517	338,717,886
	<b><u>Contribution to</u></b>		
	Provident & Other Fund	28,140,573	25,598,577
	Superannuation Scheme	7,056,826	6,167,537
	Gratuity Fund	18,661,200	9,756,256
	<b><u>Other Expenses</u></b>		
	Staff Welfare Expense	21,166,718	18,219,214
		<b><u>490,162,834</u></b>	<b><u>398,459,470</u></b>
<b>2.25</b>	<b><u>FINANCIAL COSTS</u></b>		
	Interest Expense	70,986,070	52,507,253
	Other Borrowing Costs	1,422,814	1,046,426
	Applicable net gain/loss on foreign currency transaction and translation	13,913,748	6,593,900
		<b><u>86,322,632</u></b>	<b><u>60,147,579</u></b>
<b>2.26</b>	<b><u>DEPRECIATION AND AMORTIZATION EXPENSE</u></b> <b>(excludes amount debited to retained earnings as per note 2.28 Q)</b>		
	Depreciation and Amortization Expense	148,354,434	128,302,085
	Less : Capitalised on Account of Tools Manufactured	-	3,815,644
		<b><u>148,354,434</u></b>	<b><u>124,486,441</u></b>



## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Note Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>2.27 OTHER EXPENSES</b>		
<b><u>Manufacturing Expense :</u></b>		
<u>Consumption of Stores and Spare Parts</u>		
Opening Stock	35,432,307	32,874,908
Add: Purchases	323,809,980	285,349,653
Total	359,242,287	318,224,561
Less: Closing Stock	36,350,458	35,432,307
	322,891,829	282,792,254
Power and Fuel	222,956,770	204,076,986
Rent	12,882,696	12,861,012
Repairs to Buildings	2,777,284	6,155,052
Repairs to Machinery	12,093,567	11,604,572
Repairs and Maintenance others	6,117,935	6,912,412
Insurance Premium	11,447,227	7,572,229
CSR expenditure	3,799,239	-
Rates and Taxes excluding Taxes on Income	1,681,751	4,778,560
Wages to Contractors	191,202,337	153,426,536
Job Work Charges	45,185,755	43,570,411
Freight Inward	16,029,316	11,924,810
Freight and Cartage (Outward)	97,565,480	93,117,634
Loss on Fixed Assets Sold / Discarded (Net)	609,849	-
Net loss on foreign currency transaction and translation (other than considered as finance cost)	-	1,766,329
Miscellaneous Expenses	111,505,387	108,289,411
	<b>1,058,746,422</b>	<b>948,848,208</b>
<b>2.28 ADDITIONAL INFORMATIONS</b>		

- A** Addition to Fixed Assets and Capital work in progress during the year included Rs.89,26,780/- (previous year Rs.1,18,92,521/-) being borrowing cost capitalised in accordance with Accounting Standard (AS-16) on borrowing cost as specified in the Companies (Accounting Standard) Rules, 2006.
- B** The Company as well as various industrial units in Waghodia have disputed their liability to pay octroi duty and hence the company deposited the amount of Rs. 15.45 lac under protest which is held in a separate bank account in the name of Sarpanch, the Waghodia Gram Panchayat and the Company as the second party under a Court directive. By virtue of a subsequent notification of the State Government of Gujarat, the company, like other industrial units in the notified area of Waghodia, is not required to pay the octroi Duty from 19<sup>th</sup> July, 1997. The company believes it has no liability for octroi duty even for the earlier period. Association for Industrial Units in Waghodia has filed a suit for recovery of amounts paid under protest, which is still pending for final decision. Therefore, the said amount of Rs.15.45 Lac (Previous Year Rs.15.45 lac) is included in Balance Sheet under the head "Loans & Advances" and no provision is made for liability of octroi in this respect. In the absence of clarity regarding rights of respective parties, interest credited by the bank amounting to Rs.17.07 Lac (Previous Year: Rs.15.83 Lac) on the aforesaid amount till 31<sup>st</sup> March 2015 is not accounted for.



**NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

**C Nature of security and terms of repayment for long term secured borrowings including current maturities**

<b>Nature of security</b>	<b>Terms of Repayment</b>
Term loan outstanding Rs.4.50 Crores	Repayable in 20 equal quarterly instalments of Rs.90 Lacs commencing from August, 2011.
Term loan outstanding Rs.2.48 Crores	Repayable in 20 equal quarterly instalments of Rs.27.50 Lacs commencing from June, 2012
Term loan outstanding Rs.3.50 Crores	Repayable in 20 equal quarterly instalments of Rs.25 lacs commencing from September, 2013
Term loan outstanding Rs.8.00 Crores	Repayable in 24 equal quarterly instalments of Rs.46.88 lacs commencing from January, 2016.
Above loans are secured by way of mortgage/charge created on Fixed Assets of the Company's plant at Bawal, District - Rewari, Haryana.	
Term loan outstanding Rs.11.03 Crores secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodara, Gujarat.	Repayable in 20 equal quarterly instalments of Rs.78.75 Lacs commencing from September, 2013
Term loan outstanding Rs.11.86 Crores secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodara, Gujarat.	Repayable in initial two quarterly instalments of Rs. 25 Lacs and remaining 22 quarterly instalment of Rs.66.00 Lacs commencing from December, 2013
Term loan outstanding Rs.10.00 Crores secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodara, Gujarat.	Repayable in 24 equal quarterly instalments of Rs.41.66 lacs commencing from January, 2016.
Term loan outstanding Rs.0.53 Crores secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Haridwar, District - Haridwar, Uttarakhand.	Repayable in 16 equal quarterly instalments of Rs.153.125 Lacs commencing from April, 2011
Term loan outstanding Rs.26.35 Crores secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Dharuhera, District - Rewari, Haryana.	Repayable in 24 equal quarterly instalments of Rs.114.58 Lacs commencing from December, 2014

**D The company has amounts due to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March, 2015 as identified to the extent of information available as per following details**

	As at March 31, 2015	As at March 31, 2014
The Principal amount and interest due thereon remaining unpaid		
- Principal Amount	13,909,030	19,077,364
- Interest	364,235	792,434
Amount of Interest paid by Company along-with the amounts of payments made beyond the appointed day for the year ended	-	-
Amount of interest due and payable for the period of delay in making payment beyond appointed day during the year	364,235	792,434
Amount of further interest remaining due and payable for earlier year	3,531,471	2,739,037

**E During the year, there was amicable settlement with GIIC in respect of their claim for interest on LEEP loan which was taken and repaid earlier. In pursuant thereof, the company paid Rs.39.10 lacs as full and final payment which amount is debited to Profit and Loss account for the year.**

**F Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits'**

**i Defined Contribution Plans**

Contributions to defined contribution plan are recognised as expenses when contributions become due.

Amounts recognised for the year are as under.

	2014-15	2013-14
Employer's contribution to Provident and other Funds	28,140,573	25,598,577
Employer's contribution to Superannuation Fund	7,056,826	6,167,537

## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

### ii Defined Benefit Plans

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. Relevant details are as under:

	(Amount in Rs.)	
	2014-15	2013-14
	Gratuity (Funded)	Gratuity (Funded)
<b>I Change in benefit obligation</b>		
Opening benefit obligation	59,506,021	49,189,997
Service cost for the year	6,978,013	6,401,846
Interest cost for the year	4,597,433	3,849,515
Actuarial losses / (gains) on curtailments	9,815,209	2,206,786
Benefits paid	(2,361,741)	(2,142,123)
Closing defined benefit obligation	<b>78,534,935</b>	<b>59,506,021</b>
<b>II Fair Value of Plan Assets</b>		
Opening fair value of plan assets	36,641,905	30,112,929
Expected Return on Plan Assets	3,023,877	2,962,449
Contribution by employer	6,895,281	5,969,208
Benefits paid	(2,361,741)	(2,142,123)
Actuarial (loss) / gain on plan assets	258,720	(260,558)
<b>Expenses deducted from the fund</b>	(558,641)	-
Closing balance of fair value of plan assets	<b>43,899,401</b>	<b>36,641,905</b>
<b>III Actual Return on Plan Assets</b>		
Actual return on plan assets	3,282,597	2,962,449
Expected return on plan assets	3,023,877	3,223,007
Actuarial gain / (loss) on plan assets	<b>258,720</b>	<b>(260,558)</b>
<b>IV Amount Recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	78,534,934	59,506,021
Plan assets at the end of the period at fair value	43,899,401	36,641,905
Liability recognised in the balance sheet	<b>34,635,533</b>	<b>22,864,116</b>
<b>V Amount Recognised in Statement of Profit and Loss</b>		
Current service cost	6,978,013	6,401,846
Interest on obligation	4,597,433	3,849,515
Expected return on plan assets	(3,023,877)	(2,962,449)
Net actuarial loss / (gain) recognised in the year	9,550,990	2,467,344
<b>Expenses deducted from the fund</b>	558,641	-
Total included in 'employee benefit expense'	<b>18,661,200</b>	<b>9,756,256</b>
<b>VI Investment Details (% invested)</b>		
Policy of insurance	100%	100%
<b>VII Acturial Assumptions</b>		
Discount rate current	7.80%	9.00%
Rate of return on plan assets current	8.75%	9.25%
Proportion of employees opting for early retirement	-	-
Annual increase in salary costs	7.50%	7.50%



**NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

Note	Particulars	As at March 31, 2015	As at March 31, 2014
<b>G</b>	The details of provision for warranty claims as under		
	Provision at beginning of the year	5,670,280	3,182,405
	Provision made during the year	4,014,884	3,431,490
	Amount utilised during the year	4,062,170	943,615
	Provision at end of the year	5,622,993	5,670,280
<b>H</b>	<b>Details of Contingent Liabilities</b>		
I	Unexpired Bank Guarantee (Net of Margin Money)	3,308,000	6,188,000
II	Unexpired Letter of Credit (Net of Margin Money)	1,608,285	60,100,000
III	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	50,965,144	73,514,001
IV	Estimated amount on Account of pending cases under the Labour Laws	5,496,489	9,553,531
V	Income Tax Matters in dispute	4,764,957	8,400,087
VI	Sales Tax Matters in dispute	3,188,704	3,188,704
VII	Excise Matters	23,696,013	5,901,332
<b>I</b>	<b>Payment to the Auditors</b>		
	As Auditors	1,050,000	1,050,000
	For Taxation Matters	250,000	250,000
	For Other Services	150,000	10,000
	Total	1,450,000	1,310,000
<b>J</b>	<b>Value of Imports Calculated on C.I.F basis by the Company during the financial year in respect of</b>		
	Raw Materials	37,706,676	44,502,140
	Stores and Spare Parts	98,960	274,804
	Capital Goods	7,052,015	10,405,096
	Total	44,857,651	55,182,039
<b>K</b>	<b>Expenditure in Foreign Currency during the Financial Year on Account of</b>		
	Professional and consultation fees	-	1,318,061
	Interest	5,685,965	4,723,423
	Bank Charges	43,991	-
	Foreign Travelling	1,237,072	634,774
	Business Promotion	2,695,168	402,856
	Total	9,662,196	7,079,114
<b>L</b>	<b>Break up of Consumption</b>		
I	Raw Materials;		
	Total Consumption		
	Imported		
	Value	37,706,676	44,502,140
	% of total	1%	0%
	Indigenous		
	Value	6,633,699,748	6,140,912,102
	% of total	99%	100%
II	Stores and Spare Parts		
	Imported		
	Value	98,960	274,804
	% of total	0%	0%
	Indigenous		
	Value	322,792,869	282,517,450
	% of total	100%	100%

## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Note	Particulars	As at March 31, 2015	As at March 31, 2014
<b>M</b>	<b>Earning in Foreign Exchange</b>		
I	Export of Goods on FOB basis	133,759,478	83,309,617
	Total	<u>133,759,478</u>	<u>83,309,617</u>

**N** The Company has taken premises under operating lease. These lease agreements are normally for a period of less than one year. These are generally not “non-cancellable” and are renewable by mutually agreed terms. Rental expenses towards cancellable operating leases charged to profit and loss account amounts to Rs.1,28,82,696/- (previous year Rs.1,28,61,012/-)

**O Segment Reporting**

As the Company’s business activity falls within a single primary business segment viz. Automobile Parts and single geographical segment, the disclosure requirements of Accounting Standard (AS-17) “Segment Reporting”, issued by the Institute of Chartered Accountants of India are not applicable.

**P Related Party Disclosure**

**a) Key Management Personnel**

Mr. Sudhir Kumar Munjal	Chairman & Managing Director
Mrs. Anju Munjal	Whole Time Director
Mr. Anuj Munjal	Whole Time Director

**b) Enterprise which has ability to control the Company**

Thakurdevi Investments Pvt. Ltd. Holding Company

**c) Transactions with the related parties during the year :**

**Nature of Transactions**

Nature of Transactions	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>a) Key Managerial Personnel</b>		
Remuneration	54,475,471	40,262,263
Commission	-	14,713,321
Balance Outstanding at the end of the year - Payables (Other than Commission)	339,580	2,700,000
<b>b) Enterprises which are able to exercise control over the Company</b>		
Dividend Paid	93,508,063	74,806,450

**Q** Pursuant to the enactment of the Companies Act, 2013 (The “Act”), the company has applied and estimated useful life as specified in schedule II. Accordingly the carrying value is being depreciated over the revised / remaining useful life. The written down value after retaining the residual value of fixed assets whose life have been expired as on 1<sup>st</sup> April, 2014 have been recognised net of tax in the opening retained earnings.

**R Details of expenditure incurred on “Corporate Social Responsibilities Activities”**

a) Gross Amount required to be spent by the company during the year	9,293,916
b) Amount spent during the year;	
Contribution to Prime Minister’s National Relief Fund & Registered Trusts	3,799,239

**S** Figures of the previous year have been regrouped and / or recast, wherever considered necessary to conform to the grouping of the current year.

As per our report attached  
**For Vakil Jain & Hindocha**  
 Chartered Accountants  
 Firm Registration No. 112894W

S. K. Sharma  
CFO

**Surendra Modiani**  
 Partner  
 Membership No. 47966

Rakesh Johari  
Company Secretary

For and on behalf of the Board

Vikram Shah	Director
Naresh Kumar Chawla	Director
Mahendra Sanghvi	Director
Sudesh Kumar Duggal	Director
Jal Ratanshaw Patel	Director
Sudhir Kumar Munjal	Chairman
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia  
 Date : 29<sup>th</sup> May, 2015

Waghodia  
 Date : 29<sup>th</sup> May, 2015



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## CORPORATE GOVERNANCE

Your Company believes that sound corporate governance is critical for enhancing long-term stakeholder's value and retaining investor trust. Your Company is committed towards transparency in all its dealings and to that end ensures that its performance goals are met with integrity. Good Governance goes beyond working results and financial propriety and is a pre-requisite for attainment of excellent performance.

Governance is moulded in culture of your Company that is built upon core values, beliefs and ethics.

A Report on compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India and incorporated in the Listing Agreement is given below:

### 1. Board of Directors

The composition of the Board of your Company is in conformity with Clause 49 of the Listing Agreement, as amended from time to time. The Executive Chairman of the Company is a Promoter and the number of Non-Executive independent Directors is more than one-half of the total number of Directors. The Board reviews and approves strategy; oversees the actions and results of management to ensure that the long term objectives of enhancing stakeholders' value and other stakeholders' interest are met.

Chairman & Managing Director and Whole Time Directors are the Executive Directors looking after the day-today management of your Company. The Chairman & Managing Director and Two Whole Time Directors belong to the Company's promoter group. The remaining Non-Executive Directors comprising of six independent Directors possess requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled to under the Companies Act, 2013 as Non-Executive Directors, none of these directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates which in their judgment would affect their independence. None of the Directors, other than those belonging to the promoter group of the Company are inter-se related to each other.

The Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

#### a. Composition of the Board

The Board comprises of nine Directors as on 31<sup>st</sup> March 2015. The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies are given below. None of the Executive Directors is an independent director in more than three listed companies and none of Non Executive is an independent director in more than seven listed companies. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the companies.

#### b. Board Procedure

A detailed Agenda folder is sent to each Director in advance of the Board and to the Director concerned in advance of the committee meetings. To enable the Board to discharge its responsibilities effectively, the Chairman Managing Director appraises the Board at every meeting of the overall performance of the Company, followed by presentations as and when necessary. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company as well as steps taken by your Company to rectify instances of non-compliances, review of major legal issues, adoption of quarterly/half years/ annual results, significant labour issues, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and write-offs/impairment etc., Minutes of Meetings of the Audit and other Committees of the Board and information on recruitment of officers just below the Board level including the Company Secretary and Compliance Officer.



## c. Number of Board Meetings, Attendance of Directors at Meetings of the Board and at the Annual General Meeting

Five Board meetings were held on May 19, 2014, August 08, 2014, November 10, 2014, February 02, 2015 & March 28, 2015 in due compliance with the stipulated provisions. The attendance record of members of the Board is given below

Name of Director	Number of Board Meeting during the year 2014-15		Attendance at last AGM held on August 08, 2014	No. of Outside Directorship held	No. of Committee Membership held*	Number of Committee Chairmanship held*
	Held	Attended				
<b>Promoter</b>						
<b>Executive Directors</b>						
Mr. Sudhir Kumar Munjal	5	5	Yes	None	None	None
Mrs. Anju Munjal	5	4	Yes	None	None	None
Mr. Anuj Munjal	5	5	Yes	None	None	None
<b>Promoter Non-Executive Directors</b>						
Mr. Satyanand Munjal (Resigned w.e.f. 02.02.2015)	3	None	No	None	None	None
<b>Non-Executive and Independent Directors</b>						
Mr. Vikram Shah	5	5	Yes	None	1	1
Mr. Naresh Kumar Chawla	5	4	Yes	None	1	1
Mr. Mahendra Sanghvi	5	3	No	2	4	None
Mr. Ramkisan Devidayal	5	5	Yes	5	4	3
Mr. Sudesh Kumar Duggal	5	4	Yes	None	None	None
Mr. Jal Ratanshaw Patel	5	5	No	5	3	4

\* Includes only Audit Committee and Stakeholders' Relationship Committee.

## d. Board Evaluation

In compliance with the Companies Act, 2013 and clause 49 of the Listing Agreement, the Independent Directors have carried out a performance review of the Board as a whole on the following parameters:

- The size and composition (Executive, Non-executive, Independent Directors and their background in terms of knowledge, skill & experience) of the Board is appropriate.
- The Board conducts itself in such a manner sensitive to the interests of all shareholders.
- The Board is active in addressing matters of strategic concerns in its review.
- The Board makes well informed high quality decision on the basis of full information and insights.
- The Board is effective in establishing a corporate environment that would enable proficient and effective disclosure, fiscal accountability high ethical standards and compliance with applicable law and regulations.
- The Board meeting time is appropriately allocated between management presentation and Board discussion.
- The Board has a good understanding of the company's key drivers of performance and associated risks, threats and opportunities.
- The Board devotes considerable amount time in developing the business strategy and annual business plan.
- The Board clearly defined the mandates of its various committees.
- The Board is effective in formulating and monitoring various financial and non-financial policies and plans.
- The Board is effective in developing a corporate grievances structure that allows and encourages the Board to fulfill its responsibilities.
- The Board pays considerable attention to the quality of financial statement, reporting controls.
- The Board gives effective advice and assistance for activity company's mission/vision.



**e. Director seeking re-appointment**

According to the Section 152 of Companies Act, 2013, one-third of the Executive Directors retires by rotation and, if eligible, offers himself for re-election at the Annual General Meeting of shareholders. Accordingly, Mr. Sudhir Kumar Munjal, Director will retire in the ensuing Annual General Meeting. Mr. Sudhir Kumar Munjal, Director, being eligible, offers himself for reappointment.

The Board has recommended the reappointment of Mr. Sudhir Kumar Munjal as a retiring Director.

The detailed resume of Shri Sudhir Kumar Munjal is provided in the Notice to the Annual General Meeting.

**f. Code of Conduct**

The Company has formulated Code of Conduct for Board Members and Senior Management employees of the Company. Board members and Senior Management Personnel have confirmed their compliance with Code of Conduct for the year ended 31<sup>st</sup> March, 2015.

**g. CEO/CFO Certification**

As required under Clause 49 IX of the Listing Agreement with the Stock Exchanges, CMD and the CFO of the Company have certified to the Board regarding the Financial Statements for the year ended 31<sup>st</sup> March, 2015.

**2. Remuneration to Directors**

**a. Remuneration Policy**

While deciding the remuneration of Executive Directors, Nomination and Remuneration Committee considers the performance of your Company, the current trends in the industry, the qualification of the appointees(s), their experience, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. Staying abreast with such information is used to review remuneration policies.

**b. Remuneration paid/payable to CMD/Executive Directors (Whole-time Directors) for the year ended 31<sup>st</sup> March, 2015**

Following is the remuneration paid/payable to the Executive Directors during the year ended 31<sup>st</sup> March, 2015.

*(Amount in Rs.)*

Name of Directors	Fixed salary	Variable salary	Benefits, Perquisites and allowances	Commission	Sitting Fee & allowance	Total Compensation	Notice period (in days)
Mr. Sudhir Kumar Munjal	96,00,000	-	1,24,66,165	-	-	2,20,66,165	180
Ms. Anju Munjal	84,00,000	-	90,23,412	-	-	1,74,23,412	180
Mr. Anuj Munjal	72,00,000	-	77,85,894	-	-	1,49,85,894	180
Mr. Satyanand Munjal	-	-	-	-	-	-	-
Mr. Vikram Shah	-	-	-	-	2,46,000	2,46,000	-
Mr. Naresh Kumar Chawla	-	-	-	-	1,70,000	1,70,000	-
Mr. Mahendra Sanghvi	-	-	-	-	1,40,000	1,40,000	-
Mr. Ramkisan Devidayal	-	-	-	-	2,00,000	2,00,000	-
Mr. Sudesh Kumar Duggal	-	-	-	-	80,000	80,000	-
Mr. Jal Ratanshaw Patel	-	-	-	-	1,20,000	1,20,000	-

**3. Risk Management**

Your Company has a well-defined risk management framework in place. Further, your Company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks. The Risk Management policy was adopted by Board of Directors in its meeting held on March 28, 2015.

**4. Committees of the Board**

**a. Audit Committee**

The Audit Committee of the Company is constituted in line with provisions of the clause 49 of the Listing Agreement entered with Stock Exchanges read with section 177 of Companies Act, 2013.

This Committee comprises solely of Independent Directors viz. Mr. Vikram Shah, Mr. Naresh Kumar Chawla, Mr. Mahendra Sanghvi and Mr. Ramkisan Devidayal. All the Members of the Committee possess strong accounting and financial management knowledge.

The Company's Audit Committee functions under the Chairmanship of Mr. Vikram Shah. Four Audit Committee meetings were held on May 19, 2014, August 08, 2014, November 10, 2014 & February 02, 2015 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given below

Name of Committee Member	Position held	No. of Meetings during the year 2014-15	
		Held	Attended
Mr. Vikram Shah	Chairman	4	4
Mr. Naresh Kumar Chawla	Member	4	3
Mr. Mahendra Sanghvi	Member	4	2
Mr. Ramkisan Devidayal	Member	4	4

Mr. Vikram Shah, the Chairman of the Committee is a Chartered Accountant. The terms of reference of the committee includes the matters specified in Clause 49(III) of the Listing Agreement read with Section 177 of the Companies Act, 2013 are wide. Besides having access to all the required information from the Company, the committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters.

## b. Nomination & Remuneration Committee

The role of the Nomination and Remuneration Committee is to review market practices and to decide on remuneration packages applicable to the Managing Director & meetings of Executive Directors of the Company. Shri Satyanandji Munjal, member of the committee has resigned from Board of Directors w.e.f. February 02, 2015.

Two Remuneration Committee meetings were held on May 19, 2014 & November 10, 2014 during the F.Y. 2014-15. The attendance record of the Remuneration Committee is given below

Name of Director	Position held	No. of Meetings during the year 2014-15	
		Held	Attended
Mr. Mahendra Sanghvi	Chairman	2	2
Mr. Satyanand Munjal	Member	2	-
Mr. Naresh Kumar Chawla	Member	2	1
Mr. Vikram Shah	Member	2	2

Nomination & Remuneration Committee assists in discharging the Board's responsibilities relating to compensation of the Company's Executive Directors. The Committee has overall responsibility for approving and evaluating the Executive Director's compensation plans.

Nomination & Remuneration Committee reviews the compensation structure for the Executive Directors and recommend to the Board for revision, if any, in remuneration of Executive Directors from time to time based on certain performance parameters, growth in business as well as profitability and in line with the practices prevailing in the industry.

The annual compensation of the Executive Directors is approved by the Nomination & Remuneration Committee, within the parameters approved by the Board of the Company and confirmed by the shareholders of the Company. The compensation payable to Executive Directors and the method of calculation are disclosed separately in the financial statements.

The remuneration of the Executive Directors comprises of salary, commission, perquisites and allowances, contribution to provident fund & superannuation fund and gratuity. The Executive Directors are also entitled to leave and leave encashment as per the rules of the Company. The Non-Executive Directors are paid sitting fee for Board/Committee meetings and reimbursement of travelling and out of pocket expenses for attending such meetings.

The Company does not have any stock option scheme. None of the Directors hold any shares in the Company except Mr. Naresh Kumar Chawla who holds 250 shares & Ms. Anju Munjal holds 311 shares respectively as on March 31, 2015.

### c. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee functions under the Chairmanship of Mr. Naresh Kumar Chawla. Four Stakeholders Relationship Committee meetings (Formerly known as Shareholder Grievance Committee) were held during the year on May 19, 2014, August 08, 2014, November 10, 2014 & February 02, 2015. The attendance record of members of the Stakeholders Relationship Committee is given below:

Name of Director	Position held	No. of Meetings during the year 2014-15	
		Held	Attended
Mr. Naresh Kumar Chawla	Chairman	4	4
Mr. Vikram Shah	Member	4	3
Mr. Mahendra Sanghvi	Member	4	2
Mr. Ramkisan Devidayal	Member	4	4

The committee meets as and when required, to inter alia deal with matters relating to transfer of shares and monitor redressal of complaints from Shareholders relating to transfers, non-receipt of Balance Sheet, non-receipt of dividends declared, etc. with a view to expediting the process of share transfers, necessary authority has been delegated to approve the transfers of shares.

#### COMPLAINTS / REQUESTS RECEIVED AND REDRESSED DURING FY 2014-15

Nature of Complaint / Query	Received	Resolved	Pending
1. Inquiry pertaining to non receipt of shares sent for transfer	3	3	-
2. Non receipt of dividend	67	67	-
3. Dematerialization of shares/ Transmission of shares/ Name deletion	30	30	-
4. Letters received from SEBI / Stock Exchanges / other statutory bodies	4	4	-
5. Loss of shares / Issue of duplicate certificates	15	15	-
6. Request for nominations	1	1	-
7. Exchange New Certificate	3	3	-
8. Miscellaneous queries	49	49	-
9. Non Receipt of Annual Report	10	10	-

### d. Share Transfer Committee

The 'Share Transfer Committee' oversees the functioning of the secretarial department to render effective and satisfactory services to the investors. The meetings of Share Transfer Committee are held every fortnight. During the year, the Committee met 14 times to consider and approve the requests pertaining to the share transfers, transmission, dematerialization, rematerialisation, issue of duplicate share certificates etc. Shri Satyanand ji Munjal has resigned from directorship of the company w.e.f. February 02, 2015. Details of the Share Transfer Committee members are given below:

Name of Director	Position held in the Committee
Mr. Vikram Shah	Chairman
Mr. Sudhir Kumar Munjal	Member

The Committee expresses satisfaction with the Company's performance in dealing with Investor's grievances and its share transfer system.

#### Name & designation of Compliance Officer

Mr. Rakesh Johari: Company Secretary

### e. Corporate Social Responsibility Committee

The Companies Act 2013, mandates incurring of Corporate Social Responsibility (CSR) expenditures, by a certain class of companies.

MCA, Government of India has listed following guiding principles concerning CSR, which helps one to understand the intention of the Legislature as regard to CSR Activity:

- CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies;
- CSR is a way of conducting business, by which corporate entities visibly contribute to the social good;
- CSR should be used to integrate economic, environmental and social objectives with the company's operations and growth; and
- CSR projects/ programmes of a company may also focus on integrating business models of a company with social and environmental priorities and processes in order to create share value

Your Company has formed a separate committee of Directors at Board level in its meeting held on May 19, 2014 to directly oversee the CSR related initiatives in accordance with the aforesaid guidelines and rules under the Companies Act 2013. The Corporate Social Responsibility Committee comprises of Mr. Vikram Shah as the Chairman and Mr. Naresh Kumar Chawla, Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal as members of the Committee.

#### f. Independent Directors Meeting

Schedule IV to the Act, inter alia, prescribes that the independent Directors of the Company shall hold at least one meeting in a year, without the attendance of the non-independent directors and members of the management. During the year, one meeting of independent directors was held on 28<sup>th</sup> March, 2015. Shri Naresh Kumar Chawla was unanimously elected as the Chairman of the Meeting. The Independent Directors reviewed the performance of the non-independent directors (including the chairperson) and the Board as a whole and assessed the quality, quantity and timelessness of flow of information between the company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The details of attendance of the Independent Directors are as follows:

Name of Committee Member	Position held	No. of Meetings during the year 2014-15	
		Held	Attended
Mr. Naresh Kumar Chawla	Chairman	1	1
Mr. Vikram Shah	Member	1	1
Mr. Mahendra Sanghvi	Member	1	1
Mr. Ramkisan Devidayal	Member	1	1
Mr. Sudesh Kumar Duggal	Member	1	-
Mr. Jal Ratanshaw Patel	Member	1	1

## 5. Disclosure

### a. Disclosure of transactions with Related Parties

The Company follows the following policy in regard to disclosure of the related party transactions to the Audit Committee:

- a) A statement in the summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.
- b) There are no material individual transaction with related parties, which are not in the normal course of business and material individual transaction with related parties or others which are not on arm's length basis.

During the financial year 2014-15, there was no transaction entered into between the Company and its Promoter, Directors or the Management, Subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

### b. Disclosure of Accounting Treatment in preparation of Financial Statements.

Your Company follows the guidelines of Accounting Standards referred in section 133 of Companies Act, 2013 read with the Companies (Accounts) rules, 2014.

### c. Code for Prevention of Insider Trading Practices

The Company has instituted a comprehensive Code of Conduct for Prevention of insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The code lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.

#### d. Share holder Information

##### 1. Annual General Meeting

Date	August 22, 2015
Day	Saturday
Time	3.00 PM
Venue	Registered Office of the Company: 187, GIDC Industrial Estate, Waghodia – 391760, Dist. Vadodara

##### 2. Dates of Book Closure

August 17, 2015 to August 22, 2015 (both days inclusive)

##### 3. Date of Dividend Payment

On or after August 22, 2015, but within the statutory time limit of 30 days, subject to shareholders' approval.

##### 4. Financial Year of the Company

Financial reporting for the quarter ending	
Jun 30, 2015	On or before Aug 14, 2015
Sep 30, 2015	On or before Nov 14, 2015
Dec 31, 2015	On or before Feb 14, 2016
Mar 31, 2016	On or before May 30, 2016

##### 5. Registered Office

187, GIDC Industrial Estate,  
Waghodia 391 760. Dist: Vadodara,  
Gujarat. India  
Tel: +91 2668 262421-22, Fax: +91 2668 262427  
Email: cs@munjalauto.com Website: www.munjalauto.com

##### 6. Corporate Office

324, 3<sup>rd</sup> Floor, Galleria Tower, DLF Phase IV, Gurgaon- 122 002  
Tel : (0124) 4057891/4057892

##### 7. Listing of Equity Shares on Stock Exchange

###### Listing Fees:

Listing fees for the year 2015-16 has been paid to the Stock Exchanges, wherein the equity shares of the Company are listed (i.e. BSE & NSE) within stipulated time.

###### Listing on Stock Exchanges:

Equity shares of the Company are presently listed on following stock exchanges:

Name of Stock Exchange	Address
Bombay Stock Exchange Limited (BSE)	25 <sup>th</sup> floor, Sir PJ Towers, Dalal Street, Mumbai – 400023.
National Stock Exchange of India Limited (NSE)	'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai – 400051

##### 8. Stock Code

The Bombay Stock Exchange Limited (BSE)	520059
National Stock Exchange of India Limited (NSE)	MUNJALAU
International Securities Identification Number (ISIN) for NSDL & CDSL	INE 672B01032

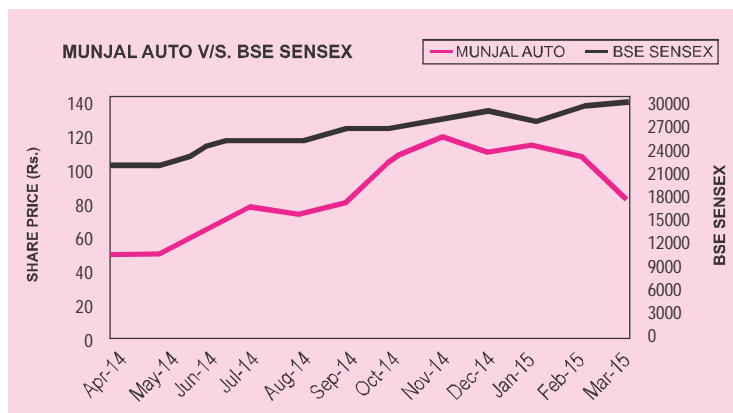
## 9. Stock Performance

Monthly high and low stock quotations during the financial year 2014-15 on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

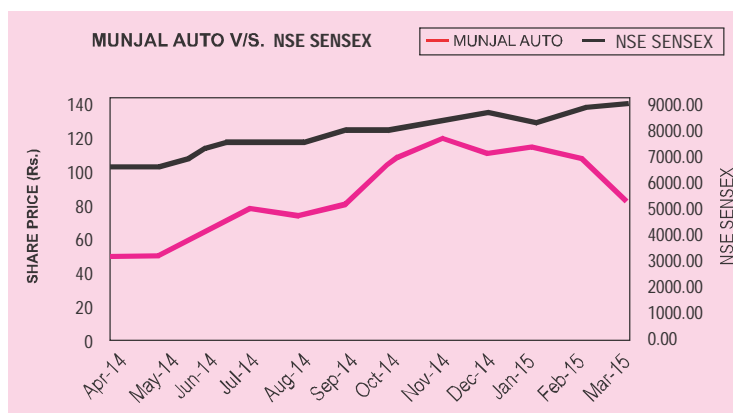
### SHARE PRICE DATA (NSE & BSE)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April 2014	64.00	50.10	3,05,575	58.70	50.65	7,98,348
May 2014	69.70	51.05	5,47,692	69.80	50.00	11,26,262
June 2014	85.65	65.00	8,77,926	85.60	65.50	23,14,173
July 2014	84.95	71.00	3,32,166	85.00	70.75	10,83,649
August 2014	86.30	71.05	4,17,731	85.90	71.80	10,17,331
September 2014	86.30	82.25	13,24,244	86.25	81.05	40,07,596
October 2014	105.30	102.00	4,69,207	105.8	101.35	13,85,703
November 2014	109.35	105.70	7,22,678	109.55	105.15	24,37,852
December 2014	107.00	101.55	2,82,796	107.00	101.50	8,62,030
January 2015	108.30	106.00	2,11,621	109.00	105.50	6,16,458
February 2015	84.95	81.80	5,70,465	86.90	81.60	17,11,241
March 2015	72.00	68.00	2,62,083	71.50	67.25	8,62,689

### COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX



### COMPANY'S SHARE PRICE MOVEMENT VIS A VIS NSE SENSEX



## 10. Registrar and Transfer Agent

### MCS Share Transfer Agent Limited

10, Aram Apartment, 12, Sampatrao Colony, B/h Laxmi Hall,  
Alkapuri, Vadodara – 390 007 (Gujarat)  
Tel.: +91 265 2339397 / 2350490, Fax: +91 265 2341639  
E-mail: mcsltdbaroda@yahoo.com; mcsvadodara@rediffmail.com

## 11. Share Transfer System

The Share Transfer Committee meets every fortnight to consider the requests for shares sent for physical transfer / transmission etc. The transfer / transmission of shares are generally effected within 15 days of receipt of the requests, if documents are clear in all respects. Shares under objection are returned generally within a week's time.

The total number of shares transferred/transmitted in physical form during the year 2014-15 was 7,250 shares.

## 12. Distribution of Shareholding as on 31<sup>st</sup> March, 2015

Distribution of Shareholding by number of shares held and Shareholding Pattern in percentage (pursuant to Clause 35 of the Listing Agreement) as on March 31, 2015 are given below:

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	9,515	74.32	20,10,050	4.02
501 – 1000	1,250	9.76	10,45,922	2.09
1001 – 2000	993	7.75	14,56,988	2.91
2001 – 3000	449	3.51	11,40,280	2.28
3001 – 4000	125	0.98	4,49,738	0.90
4001 – 5000	142	1.11	6,84,746	1.37
5001 – 10000	187	1.46	13,34,388	2.67
10001 – 50000	121	0.94	24,84,242	4.97
50001 – 100000	11	0.09	8,82,455	1.77
100001 & above	10	0.08	3,85,11,191	77.02
<b>Total</b>	<b>12,803</b>	<b>100.00</b>	<b>5,00,00,000</b>	<b>100.00</b>

### Shareholding Pattern as on 31<sup>st</sup> March, 2015

Category	Holders (No.)	No. of Equity Shares held	Percentage of holding
<b>PROMOTER HOLDING</b>			
Indian promoters	1	3,74,03,225	74.81
<b>Total of promoter holding</b>	<b>1</b>	<b>3,74,03,225</b>	<b>74.81</b>
<b>NON PROMOTER HOLDING</b>			
Institutional investors			
- Mutual funds	5	11,215	0.02
- Banks, financial institutions, insurance companies	8	31,335	0.06
- Foreign institutional investors	1	1,09,900	0.22
Others			
- Private Corporate bodies	389	15,22,685	3.06
- Indian public	12,226	1,06,87,219	21.37
- NRIs / OCBs	173	2,34,421	0.47
- Co-op. Banks, Co-op. Societies, Trust	-	-	-
- Shares in transit	-	-	-
<b>Total of non promoter holding</b>	<b>12,802</b>	<b>1,25,96,775</b>	<b>25.19</b>
<b>Grand total</b>	<b>12,803</b>	<b>5,00,00,000</b>	<b>100.00</b>



### 13. Dematerialization of Shares

Equity shares of the Company, which are under compulsory dematerialisation list, are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2015, a total of 4,85,79,755 equity shares of the Company, forming 97.15% of the total paid up equity share capital, stands dematerialised. All requests for dematerialisation of shares are processed within the stipulated time.

### 14. Outstanding GDRs/ADRs/Warrant or any Convertible Instruments, Conversion date and likely impact on equity

Not applicable

### 15. Plant Locations

Regd. Office & Unit I	Unit II	Unit III	Unit IV
187, GIDC Industrial Estate, Waghodia – 391 760 Dist. Vadodara, Gujarat. India Tel: +91 2668 262421-22 Fax: +91 2668 262427	Plot No.37, Sector 5 Phase II, Growth Centre Bawal – 123 501 Dist. Rewari, State : Haryana Tel: (01284) 264434-36	Plot No.11, Industrial Park -2 Village :Salempur, Mehdood Haridwar – 249 402 Dist. Haridwar, Uttarakhand Tel:(01334)235530/ 645256-57	Plot No.32A, Industrial Area, Phase II, Dharuhera, Dist. Haryana-122106 Tel:(01274)243010/11/ 12/13/14

### 16. Address for Correspondence

For queries relating to

#### Shares and Dividend

Mr. Rakesh Johari  
Company Secretary  
Munjral Auto Industries Limited,  
187, GIDC Industrial Estate,  
Waghodia 391 760. Dist. Vadodara (Gujarat)  
Tel: +91 2668 262421-22  
Fax: +91 2668 262427  
E-mail: cs@munjalauto.com

#### Financial Statements

Mr. S.K. Sharma  
CFO  
Munjral Auto Industries Limited  
324, 3<sup>rd</sup> Floor, Galleria Tower, DLF Phase IV,  
Gurgaon- 122 002  
Tel : (0124) 4057891/4057892  
Fax: (0124) 4369506  
E-mail: sksharma@munjalauto.com

## 6. Other Disclosures

### a. Details of Annual General Meetings and Special Resolutions passed

Financial year (ended)	Date	Time	Venue	Special Resolution passed
Mar 31, 2012	September 22, 2012	3.00 p.m.	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat. India	Special resolution was passed for revision of remuneration payable to Mr. Sudhir Kumar Munjal, Managing Director, Mrs. Anju Munjal and Mr. Anuj Munjal, Whole Time Directors of the Company.
Mar 31, 2013	August 10, 2013	3.30 p.m.	- do -	Special resolution was passed for revision of remuneration payable to Mr. Sudhir Kumar Munjal, Managing Director, Mrs. Anju Munjal and Mr. Anuj Munjal, Whole Time Directors of the Company. Special resolution was passed for reappointment of Shri Sudhir Munjal, MD for further period of 5 years w.e.f. 29.10.2013.
Mar 31, 2014	August 08, 2014	3.30 p.m.	- do -	Special resolutions were passed for (1)Revision of remuneration payable to Mr. Sudhir Kumar Munjal, Managing Director, Mrs. Anju Munjal, and Mr. Anuj Munjal, Whole time Directors of the Company.

				<p>(2) Reappointment of Smt. Anju Munjal, WTD for further period of 5 years w.e.f. 29.09.2014.</p> <p>(3) For appointment of All Independent Directors for tenure of 5 years.</p> <p>(4) For borrowing upto Rs.200 Crore under section 180(1)(c) of the Companies Act, 2013.</p>
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**b. Postal Ballot**

During the year under review, following two resolutions were passed as Special Resolution through Postal Ballot process conducted by Mr. Devesh A Pathak, Practising Company Secretary:

- (1) To authorise Board of Directors to secure borrowings by lease or otherwise disposing of the undertaking(s) of the Company (Other than sale) under section 180(1)(a) of Companies Act, 2013.
- (2) To reappoint Mr. Anuj Munjal as a Whole Time Director of the Company for period of 5 years w.e.f. 01<sup>st</sup> June, 2015 to 31<sup>st</sup> May, 2020.

Aforesaid both resolutions were approved on January 03, 2015 with assent of 99.998% and 99.997% respectively.

**c. Details of non compliance etc.**

There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the stock exchanges or SEBI or any other authorities, on any matter related to capital market during the last three years.

**d. Means of Communication**

The Company has regularly sent, both by post as well as by fax, E Mail (within 15 minutes of closure of the Board Meeting) the Annual Audited as well as quarterly un-audited results to both the Stock Exchanges, BSE & NSE, after they are taken on record by the Board of Directors.

Quarterly, half-yearly and annual results are published in prominent daily newspaper such as the Economic Times & Business Standard. The Company also informs Stock Exchanges in a prompt manner, all price sensitive information or such other matters, which in its opinion are material & relevant for the shareholders, and subsequently issues a press release on the said matters.

The Company's website [www.munjalauto.com](http://www.munjalauto.com) contains information on the Company and its performance. Presentations to analysts, as and when made, are immediately put on the website for the benefit of the shareholders and the public at large.

**e. Compliance with Mandatory requirements**

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49 of Listing Agreement.

**f. Compliance with Non-mandatory requirements**

The Company has not adopted the non-mandatory requirements as specified in Annexure - 3 of the Listing Agreement except Clause (b) relating to Remuneration Committee.

The Company's financial statements are free from any qualifications by the Auditors.

**g. Whistle Blower Policy**

The Company has adopted "Whistle Blower Policy" in its Board Meeting held on March 28, 2015. However under the provision of Fraud Prevention Policy adopted by the Company, a whistler Blower Policy is in place for reporting of fraud or suspected fraud involving employees of the Company as well as representatives of vendors, suppliers, contractors, consultants, service providers or any other party doing the business with Company. All reports of fraud or suspected fraud are investigated with utmost speed.

Your Company is in substantial compliance with the Clause 49 and it will always be the Company's endeavor to attain the best practices in Corporate Governance.

## CEO & CFO CERTIFICATE

We hereby certify to the Board that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015, and that to the best of our knowledge and belief:
  - (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) There are, to the best of our knowledge and belief, 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 are responsible for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting. 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 : 29<sup>th</sup> May, 2015  
Place : Waghodia

S K Sharma  
CFO

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080



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**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

TO  
THE MEMBERS OF MUNJAL AUTO INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Munjal Auto Industries Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of 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 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 above-mentioned Listing Agreement.

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.

For VAKIL JAIN & HINDOCHA  
Chartered Accountants  
Firm Registration No.112894W

Sd/-

SURENDRA MODIANI  
PARTNER  
Membership No.047966

Place : Vadodara  
Date : May 29, 2015



Registered Office: 187, GIDC Industrial Estate,  
Waghodia 391 760,  
Dist. Vadodara, (Gujarat)  
Tel. Nos. (+91 02668) 262421-22  
Fax No. (+91 02668) 262427