



**MUNJAL AUTO**  
INDUSTRIES LIMITED  
Waghodia Plant

Date: July 01, 2017

Listing Compliance  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No.C/1, G Block  
Bandra- Kurla Complex  
Bandra (E), Mumbai- 400 051

Department of Corporate Service  
BSE Limited  
Floor 25, P J Towers,  
Dalal Street  
Mumbai- 400 001

Scrip Code: MUNJALAU

Scrip Code: 520059

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Regulation and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report for the year 2016-17 duly approved by the members in its 32<sup>nd</sup> Annual General Meeting held on Friday, 30<sup>th</sup> June, 2017 as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking you,

For **MUNJAL AUTO INDUSTRIES LIMITED**

*Rakesh Johari*



Rakesh Johari  
Company Secretary  
ACS 19153

# **MUNJAL AUTO**

32<sup>nd</sup> Annual Report & Accounts 2016-17



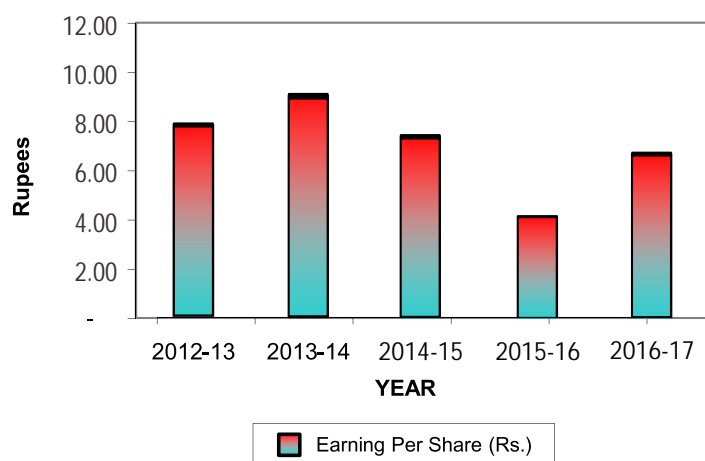
**Munjal Auto Industries Limited**

## FINANCIAL STATISTICS FIVE YEARS' TRACK RECORD

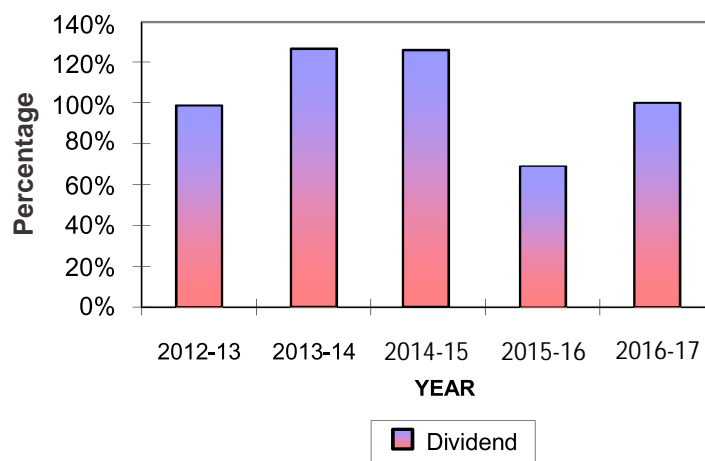
(Rs. In Lacs)

	2012-13	2013-14	2014-15	2015-16	2016-17
Equity Share Capital	1,000	1,000	1,000	1,000	1,000
Reserves & Surplus	14,330	17,634	19,694	20,859	24,036
Deferred Tax Liability / (Assets)	646	657	779	979	1,054
Secured Loans	6,008	7,697	7,824	6,214	4,353
Total External Liability	10,355	12,937	12,548	12,334	13,230
Total Assets	32,339	39,925	41,845	41,386	43,673
Revenue	78,622	89,192	97,278	97,163	93,290
YoY Growth	6.85%	13.44%	9.07%	-0.12%	-3.99%
Profit Before Interest, Depreciation & Tax (PBDIT)	5,999	6,785	7,276	4,931	6,370
Interest	687	601	863	794	548
Depreciation	1,138	1,245	1,483	1,666	1,741
Profit before Tax	4,174	4,939	4,929	2,471	4,081
Profit after Tax	3,949	4,766	3,803	2,008	3,177
Earnings Per Share (Rs.)	7.90	9.53	7.61	4.02	6.35
Dividend	100%	125%	125%	70%	100%

**EARNING PER SHARE**



**DIVIDEND**



## CORPORATE INFORMATION

Munjal Auto Industries Limited  
CIN: L34100GJ1985PLC007958

## BOARD OF DIRECTORS

### CHAIRMAN AND MANAGING DIRECTOR

Mr. Sudhir Kumar Munjal

### WHOLE TIME DIRECTORS

Mrs. Anju Munjal

Mr. Anuj Munjal

### DIRECTORS

Mr. Vikram Shah

Mr. Naresh Kumar Chawla

Mr. Mahendra Sanghvi

Mr. Ramkisan Devidayal

Mr. Sudesh Kumar Duggal

Mr. Jal Ratanshaw Patel

### CFO

Mr. S. K. Sharma

### COMPANY SECRETARY

Mr. 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

301, 3<sup>rd</sup> Floor, Galleria Tower,

DLF Phase IV,

Gurgaon- 122 002

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## BOARD'S REPORT

To  
The Members  
Munjal Auto Industries Limited

Your Directors have pleasure in presenting the Company's 32<sup>nd</sup> Annual Report together with the Audited Financial Statements for the year ended March 31, 2017.

### FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2017 is summarized below: -

(Rs. in Lacs)

Year ended March 31	<u>2016-2017</u>	<u>2015-2016</u>
Sales & Other Income	93289.78	97162.76
Profit before Finance Cost & Depreciation	6370.29	4931.18
Depreciation	(1741.27)	(1666.10)
Finance Cost	(547.63)	(794.29)
Profit before Taxation	4081.39	2470.79
Provision for Taxation (Deferred & Current)	(904.72)	(463.18)
Profit after Tax	3176.66	2007.61
Surplus brought Forward	18008.12	16843.02
Surplus carried to Balance Sheet	21184.78	18850.63

### DIVIDEND

Your Directors have pleasure to recommend a final dividend of 100% i.e. Rs. 2/- on equity share of Rs. 2/- each for the fiscal year ended 31<sup>st</sup> March, 2017. The dividend, if approved by the Members in the ensuing Annual General Meeting, would absorb Rs.1000 lacs exclusive of Dividend Distribution Tax (Rs.700 lacs for Interim Dividend for FY 15-16) out of the distributable profits available.

The Register of Members and Share Transfer Books will remain closed from June 26, 2017 to June 30, 2017 (both days inclusive).

### PERFORMANCE

The Company was able to maintain sales turnover of Rs. 922.50 Crore during the year. Profit before tax and profit after tax were Rs. 40.81 Crores and Rs. 31.77 Crores respectively during the year as against Rs. 24.71 Crores and Rs. 20.08 Crores respectively in the previous year.

Your Company's sales are marginally down this year mainly due to impact of demonetization on the customer industry.

### CAPACITY UTILIZATION & PLANT OPERATIONS

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

### NO CHANGE IN SHARE CAPITAL

The paid up equity capital as on March 31, 2017 stands at Rs. 10 Crore consisting of 5 Crore Equity Shares of Rs.2/- each with no change as compared to previous year.

### ISSUE OF BONUS SHARES

Your Directors at their meeting held on 22<sup>nd</sup> May, 2017 have recommended a Bonus Issue of shares in the ratio of one fully paid up Bonus Equity share of Rs. 2/- each for every one fully paid up equity share of Rs.2/- each as on the record date to be determined. The Bonus Issue is subject to the approval of members at the ensuing Annual General Meeting.

### APPOINTMENT/ CESSATION OF DIRECTORS OR KMP

In terms of section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), Mr. Anuj Munjal retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

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

### BOARD EVALUATION

Pursuant to Section 134(3)(p) and other applicable provisions, if any, of the Act and Regulation 17(10) and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), the performance of the Board as a whole 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 Directors. 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 Chairperson of the Company.

The performance of the Board as a whole and even Directors individually was found to be satisfactory.

### QUALITY

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

### FINANCE

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 generating good cash flow from operations, notwithstanding headwinds blowing in automobile sector and sluggish macro-economic environment 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 competitive 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 LODR 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 Committee ('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 Company was in a process to recognize the appropriate CSR project for spending on the CSR expenditure to contribute towards the society and hence the Company could spend only Rs. 66.30 lacs out of Rs. 82.46 lacs to be spent towards CSR expenditure and could not spend Rs. 15.96 lacs in terms of Section 135 of the Act.

The requisite details (in a matrix form) 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.

## POLICY RELATING TO ANTI SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place a policy to treat women employees with dignity and no discrimination against them plus zero tolerance towards any sexual abuse to abide by letter and spirit requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules there under and redressal of complaints of sexual harassment at work place. All employees (permanent, contractual, temporary and trainees) are supposed to adhere to and conduct themselves as prescribed in this Policy. During the year under review no complaint was reported to the Board.

## DEPOSITS

Your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Act 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 within the meaning of the provisions of section 186 of the Act.

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

## STATEMENT ON THE 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 applicable regulations of LODR.

## 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; if any
- 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 and loss 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;
- 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; and
- f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## PARTICULARS OF CONTRACTS OR ARRANGEMENTS 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 within the meaning of section 188 of Companies Act, 2013.

## HOLDING / SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANY

Thakur Devi Investments Private Limited is a holding company of the Company, holding 74.81% Equity Share Capital of the Company. Neither the Company has any subsidiary/associate/joint venture Company nor any other Company has become subsidiary/ Associate/ Joint Venture Company of the Company during the year.

## 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 non-acceptance of any recommendation of the Audit Committee by the Board.

## INTERNAL FINANCIAL CONTROL

The Corporate Governance Policy guides the conduct of the affairs of your Company and clearly delineates the roles, responsibilities at each level of its key functionaries involved in governance. Your Company has in place adequate internal financial controls with reference to the Financial Statements. During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

## INSURANCE

Your Company's assets are adequately insured against multiple risks from fire, riot, earthquake, terrorism and other risks, which are considered necessary by the Management.

As an additional coverage, a Public Liability Insurance Policy is also in place which it has been taken to cover public liability/ties, if any, arising out of any industrial accidents. We have also covered the Directors' and Officers' liability under the Act to meet with any eventuality.

## 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 vide letter dated July 01, 2016. The aforesaid rating are valid till June 29, 2017.

## AUDITORS

### Statutory Auditors

The auditors, Vakil, Jain & Hindocha, Chartered Accountants, retire at the ensuing Annual General Meeting. Pursuant to Section 139 of

the Act read with the Companies (Audit and Auditors) Rules, 2014 and in line with recommendation made by Audit Committee, the Board of Directors, has recommended appointment of K C Mehta & Co., Chartered Accountants, Vadodara as Auditors in place of Vakil Jain & Hindocha, Chartered Accountant to the members in forthcoming Annual General Meeting. They have furnished their consent and requisite certificate pursuant to the Act in respect of their proposed appointment.

### Internal Auditors

M/s Mukund & Rohit, Chartered Accountants, Vadodara, have been appointed as Internal Auditors of the Company in terms of Section 138 of the Companies Act, 2013 and rules and regulations, made thereunder, for the Financial Year 2017-18 by the Board of Directors, upon recommendation of the Audit Committee.

### Secretarial Auditors

Pursuant to provisions of section 204 of the Act read with 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 for FY 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as Annexure C to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## EXPLANATIONS/COMMENTS ON STATUTORY AUDITORS' REPORT & SECRETARIAL AUDITORS' REPORT

Neither the Statutory Auditors nor the Secretarial Auditors of the Company, in their respective reports have made any qualifications, reservations, adverse remarks or disclaimers. Accordingly, no explanations/ comments thereon are required to be furnished.

## AUDIT COMMITTEE

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act read with Regulation 18 of LODR. The Chairman of the Audit Committee is an Independent Director. The Audit Committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures the efficiency and effectiveness of the operations of the Company and safeguarding of assets and adequacy of provisions for all liabilities. The details of meetings and their attendance are included in the Corporate Governance Report.

## NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee (NRC) is in line with the Section 178 of the Act read with Regulation 19 of LODR. The Committee determines overall Company's Policy on remuneration packages and other terms and conditions of the appointment of the Executive Directors and senior management of the Company as well as sitting fees to the Non Executive Directors of the Company. It also approves payment of remuneration to Managing Director and Whole Time Directors as decided by the



members of the Company and recommends to the Board of Directors for their consideration and approval. The details of meetings and their attendance are included in the Corporate Governance Report.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee (SRC) is in line with the Section 178 of the Act read with Regulation 20 of LODR. The Committee looks after the stakeholders grievances and redressal of investors' complaints related to transfer of shares, non receipt of balance sheet, non receipt of dividend etc. The details of meetings and their attendance are included in Corporate Governance Report.

## REPORTING OF FRAUDS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

## EXTRACT OF ANNUAL RETURN

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

## 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 laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code.

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 personnel are being provided 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 stakeholders responsibility.

## PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in compliance with SEBI (Prohibition & Insider Trading) Regulation, 2015 with a view to regulating 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 shares of the Company 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

Four 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.

## RISK MANAGEMENT POLICY

The composition of the Risk Management Committee is not applicable to your Company. However, the Company has adopted a Risk Management policy in accordance with the provisions of the Act and Regulation 17(9) of LODR. It establishes various levels of accountability and overview within the Company, while vesting identified managers 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.

## 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 D 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 Regulation 34(2)(e) of LODR is enclosed as Annexure E and forms part of this report.

## INDUSTRIAL RELATIONS

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

## ENVIRONMENT, HEALTH, SAFETY AND SOCIAL RESPONSIBILITY

Your Company is committed in maintaining the highest standards of environment compliances and therefore has 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 to safety and occupational health as well as 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, thanks to its collaborations and outward looking approach, is constantly absorbing new technology. This is contributing towards both, improving the manufacturing process and improving our reputation with our customers as we bring latest possible technology in our products.

Information in respect of Conservation of energy & foreign exchange earnings and outgo is enclosed in Annexure F.

#### COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Board has, on the recommendation of the Nomination & Remuneration Committee in place a policy for selection and appointment of Directors, Senior Management and their remuneration.

The requisite details as required under Section 134(3)(e) and Section 178(3) & (4) of the Act are annexed as Annexure G 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, 2017 TO THE DATE OF THE REPORT

There has been 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, 2017 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  
Munjal Auto Industries Limited

Date : May 22, 2017  
Place : Gurugram

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080

## ANNEXURE A TO THE BOARD'S REPORT

### 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 site [www.munjalauto.com](http://www.munjalauto.com). The CSR policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the Company 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. The composition of the CSR Committee:

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. 41.13 Crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 82.26 Lacs

5. Details of CSR spent during the financial year:

- a) Total amount to be spent for the financial year: Rs. 82.26 Lacs
- b) Amount spent: Rs. 66.30 Lacs
- c) Amount unspent: Rs. 15.96 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 spent 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	Promoting education for impaired/disabled	Education and employment	Vadodara, Gujarat	1,00,000	1,00,000	1,00,000	Agency: Akshar Trust Vadodara, Gujarat
2	Old age home to look after homeless - abandoned senior citizens	Health Care	New Delhi	17,00,000	17,00,000	17,00,000	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	12,00,000	12,00,000	12,00,000	Agency: Disha Charitable Trust, Vadodara, Gujarat
4	Health improvement	Health Care - Children victims from Cancer	Waghodia, Vadodara, Gujarat	1,00,000	1,00,000	1,00,000	Agency : Muni Seva Ashram, Waghodia, Vadodara
5	Promoting education to Women	Education	New Delhi	80,000	80,000	80,000	Agency- Janki Social Welfare Society, New Delhi
6	Health improvement	Health Care	Sabar Kaantha, Gujarat	25,00,000	25,00,000	25,00,000	Agency : Vaanprastha Saadhak Aashram, Sabar Kaantha, Gujarat
7	Community development	Community development	Morbi, Gujarat	1,00,000	1,00,000	1,00,000	Agency : Shri Maharishi Dayanand Saraswati Smarak Trust: Morbi, Gujarat



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*
8	Promoting education to Orphans	Education	Kutch Gandhidham, Gujarat	6,00,000	6,00,000	6,00,000	Agency-Arya Samaj Gandhi Dham, Kutch, Gandhidham, Gujarat
9	Health improvement & Rehabilitation	Health Care & Rehabilitation	Sindhrot, Vadodara, Gujarat	2,50,000	2,50,000	2,50,000	Agency – Shram Mandir Trust, Sindhrot, Vadodara
Total				66,30,000	66,30,000	66,30,000	

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 there of, the Company shall provide the reasons for not spending the amount in its Board report:

The Company was in a process to recognize the appropriate CSR project for spending on the CSR expenditure to contribute towards the society and hence the Company could spend only Rs. 66.30 lacs and could not spend Rs. 15.96 lacs out of Rs. 82.26 lacs to be spent towards CSR expenditure.

7. Responsibility Statement

CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

Place : Gurugram  
Date : May 22, 2017

Vikram Shah  
Chairman-CSR Committee  
DIN : 00007914

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080

## ANNEXURE B TO BOARD'S REPORT

FORM NO. MGT.9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[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: mcsitdbaroda@yahoo.com; mcsitdbaroda@gmail.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	% to total turn over of the Company
1	Exhaust System/ Mufflers for Two Wheelers	30913	93%

#### 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, G. T. Road, Ludhiana-141003	U65921PB1979PTC004044	Holding Company	74.81%	2(46)

#### 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-2016)				No. of Shares held at the end of the year (As on 31-March-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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..	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	3,74,03,225	-	3,74,03,225	74.81	3,74,03,225	-	3,74,03,225	74.81	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2016)				No. of Shares held at the end of the year (As on 31-March-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	3,74,03,225	-	3,74,03,225	74.81	3,74,03,225	-	3,74,03,225	74.81	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	23,031	500	23,531	0.05	24,828	500	25,328	0.05	-
b) Banks/FI	14,735	24,955	39,690	0.08	14,436	24,955	39,391	0.08	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	37,766	25,455	63,221	0.13	39,264	25,455	64,719	0.13	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	12,94,029	29,500	13,23,529	2.65	12,01,951	29,500	12,31,451	2.46	-0.19
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	80,50,535	12,85,840	93,36,375	18.67	80,42,760	12,62,815	93,05,575	18.61	-0.06
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	10,10,377	-	10,10,377	2.02	11,19,627	-	11,19,627	2.24	0.22
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	2,04,031	26,250	2,30,281	0.46	2,44,216	27,000	2,71,216	0.54	0.08
HUF	6,31,742	250	6,31,992	1.26	6,01,787	-	6,01,787	1.20	-0.06
Trust	1,000	-	1,000	0.002	2,400	-	2,400	0.005	0.003
Sub-Total (B)(2):-	1,11,91,714	13,41,840	1,25,33,554	25.06	1,12,12,741	13,19,315	1,25,32,056	25.06	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,12,29,480	13,67,295	1,25,96,775	25.19	1,12,52,005	13,44,770	1,25,96,775	25.19	-
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,86,32,705	13,67,295	5,00,00,000	100	4,86,55,230	13,44,770	5,00,00,000	100	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Share holding at the end of the year (As on 31.03.2017)			% 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
	Total	3,74,03,225	74.81%	NIL	3,74,03,225	74.81%	NIL	NIL

(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 01.04.2016	%	As on 31.03.2017	%
1	Jayakumar C	2,04,825	0.40	2,04,825	0.40
2	Anita Rawat	1,20,000	0.24	1,20,000	0.24
3	Sheth Commercial Pvt. Ltd.	1,02,850	0.21	1,02,850	0.21
4	V Jayam	1,00,244	0.20	1,00,244	0.20
5	Kiran S Coelho	1,00,000	0.20	1,00,000	0.20
6	Lincoln P Coelho	1,00,000	0.20	1,00,000	0.20
7	Crochet Trade & Investment Pvt. Ltd.	93,000	0.19	93,000	0.19
8	Sunil Kumar Gupta	32,000	0.06	83,000	0.17
9	Rajan Vasudev Dapki	1,15,000	0.23	82,500	0.17
10	D Srimathi	82,462	0.16	82,462	0.16





(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholding of each Directors and KMP	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 (01.04.2016)				
i) Principal Amount	69,32,86,377	-	-	69,32,86,377
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	55,50,997	-	-	55,50,997
Total (i+ii+iii)	69,88,37,374	-	-	69,88,37,374
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	24,90,56,985	-	-	24,90,56,985
Net Change	-24,90,56,985	-	-	-24,90,56,985
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	44,42,29,392	-	-	44,42,29,392
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	39,17,690	-	-	39,17,690
Total (i+ii+iii)	44,81,47,082	-	-	44,81,47,082

## 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	178.08	132.44	164.25	474.77
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.92	32.56	0.74	35.22
	(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	12.96	11.34	10.62	34.92
	b) Company's contribution to Superannuation scheme	10.80	9.45	8.85	29.10
	c) Gratuity	5.77	5.05	5.05	15.87
	Total (A)	209.53	190.84	189.51	589.88
	Ceiling as per the Act				589.88

### 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	
	• Fee for attending Board/ Board committee meetings	4.08	3.80	3.80	3.40	1.40	1.80	18.28
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	4.08	3.80	3.80	3.40	1.40	1.80	18.28
4.	Other Non-Executive Directors							
	• Fee for attending board committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	4.08	3.80	3.80	3.40	1.40	1.80	18.28
	Total Managerial Remuneration	4.08	3.80	3.80	3.40	1.40	1.80	18.28
	Overall Ceiling as per the Act							



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

(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	-	14.07	34.93	49.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.50	1.52	2.02
	(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	-	0.79	2.14	2.93
	b) Company's contribution to Superannuation Fund	-	0.66	1.79	2.45
	c) Gratuity	-	0.28	0.86	1.14
	d) Others	-	0.84	4.23	5.07
	Total	-	17.14	45.47	62.61

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	None	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	None	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	None	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Date : May 22, 2017

Place : Gurugram

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080

## ANNEXURE D TO THE BOARD'S 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	Whole time Directors				
		CMD	WTD	WTD		
		85	77	77		
		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	Whole time Directors			KMPs	
		CMD 43.77%	WTD 33.90%	WTD 36.05%	CFO 11.67%	CS 10.55%
iii.	The % increase in the median remuneration of employees in the financial year	5.06%				
iv.	The number of permanent employees on the rolls of Company.	1107				
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, qualifications and experience, responsibilities shouldered and individual performance of the Key Managerial personnel & other employees and also performance of the Company.				
vi.	Comparison of the remuneration of the Key Managerial Personnel against the 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 .			2016-17	2015-16	
		Market Capitalization		Rs.504.00 Cr.	Rs.380.00 Cr.	
		PE Ratio		15.87	18.91	
		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		2016-17	Justification/ Remarks	
		Salaries of Employees		8.75%		
		Managerial Remuneration		37.97%		
ix.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Particulars		% of Net Sales for F.Y 2016-17		
		CMD		0.25%		
		WTD		0.22%		
		WTD		0.22%		
		CFO		0.05%		
		CS		0.02%		
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.				



## ANNEXURE C TO THE BOARD'S REPORT

### SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[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,  
Munjal 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 the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our 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, 2017 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 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) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, we further report that the Company has complied with the following laws applicable specifically to the Company:
  1. The Environment (Protection) Act, 1986
  2. The Air (Prevention And Control of Pollution) Act, 1981

3. The Water (Prevention and Control of Pollution) Act, 1974
4. The Hazardous Wastes (Management and Handling and Transboundary Movement) Rules, 1989
5. Indian Boiler Regulations Act, 1950
6. The Static and Mobile Pressure Vessels (unfired) Rules, 1981 [SMPV(U) Rules]
7. Indian Explosives Act, 1884

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 BSE Ltd. and National Stock Exchange of India Ltd.

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. 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, if any, 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 (by way of information) that during the audit period:

- (a) The Company has not issued any securities during the period under review and accordingly
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008were not applicable during the audit period.
- (b) The Company has neither got delisted Equity Shares nor bought back any security of the Company and accordingly
  - 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, 1998were not applicable during the audit period.
- (c) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India mandatorily applicable during the audit period were complied with.
- (d) The Company has complied with the SEBI (Prohibition of Insider Trading) Regulations, 2015 enacted in repealment of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

For Devesh Vimal & Co.  
Practising Company Secretaries

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

Date : May 21, 2017  
Place : Vadodara





## ANNEXURE E TO THE BOARD'S REPORT MANAGEMENT DISCUSSION & ANALYSIS

### Indian Economy and Business Outlook

India has emerged as one of the fastest growing economies in recent times. The global growth prospects also look positive with the main economies gradually ascending the growth ladder. The Indian economy is expected to embark on higher economic growth trajectory in FY18 owing to proactive measures taken by the government as well as favorable economic conditions expected to prevail during the course of the year. The main driving forces in FY18 would be Increased government spending in infrastructure, Pick up in private investment, Good monsoon, Expected surge in consumer spending with pent up demand being satiated. The Goods and Services Tax (GST), which is likely to be implemented from July 1, 2017, has potential to spur the economy further. The economic outlook of the Indian economy looks positive with the country expected to grow at more than 7.5% in FY18 before moving past the 8% trajectory in FY 19. Certain threats, however, prevail in terms of upside risk to inflation, increasing global commodity prices especially crude oil prices, slower growth in investment and credit, rising bad loans issue and uncertain trade prospects with appreciating rupee and uncertain global economic conditions. Globally, protectionism adopted by the US and higher interest rates by the Fed, revival in European countries and higher growth in China causing diversion of funds from India could counter the prospective growth story of the country.

### Automotive Sector

Indian Automotive industry has seen a positive growth across segments except Three Wheelers passenger vehicles. The Industry sold a total no. of 218.62 Lacs of all segments in the financial year April-March, 17 as against 204.69 lacs nos in the previous financial year. The Exports declined by (-) 4.50% while passenger vehicles and commercial vehicles registered a growth of 16.07% and 4.85% respectively. Exports of three wheelers and two wheelers declined by (-) 33.84% and 4.85% respectively in April-March, 17 over previous financial year. (As per report of SIAM)

The two-wheeler industry within which your Company operates has registered a growth of 6.8% during financial year as compared to last financial

### Risks and Concerns

In the coming decade, the main focus would be on enhancing efficiency and productivity, and on innovation, driven by changing customer demands. Price sensitivity of the Indian consumer, cost optimization needs of manufacturers and increasing focus on environmental concerns will drive critical changes in the market.

Future strategies of the auto companies will have to focus on increased environmental safety concerns, rising fuel prices and cost-effectiveness

in the rising market competition. Innovation has to focus on increasing efficiency and reducing emissions.

Customer experience will be a key factor to retain the existing ones and reach out to the new ones. After-sales service is an important aspect which will help in winning the loyalty of the consumer.

### Your Company's performance

Your Company's performance for the year has been satisfactory. While sales have not grown because of demonetization effects, pricing pressures and decrease in raw material prices, profitability is better due to better utilization of resources.

### Future Outlook

The long-term outlook remains positive for the automotive industry with all major global players having a base in India for manufacturing, global sourcing as well as engineering. Correction in fuel prices and lower finance cost should further add domestic growth in the short to medium term. Regular product launches planned by OEMs will keep customer excitement levels up and create demand and is favorable for overall industry growth.

Your Company is also looking to expand into other sectors of the engineering industry through the organic and inorganic route. The future outlook of your Company remains positive as your Company is actively working on both the strategic front and the operations front to take advantage of the turning trends which includes Research and Development, improving operational performances, focus on quality, broaden the customer base etc.

### Forward Looking Statements

Investors are cautioned that statements in this management discussion and analysis describing your Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect your Company's operations include a downtrend in the automobile industry global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relation and interest costs.

For and on behalf of the Board

Date : May 22, 2017

Place : Gurugram

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080

## ANNEXURE F TO THE BOARD'S 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 pursuing 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)	
	2016-17	2015-16
(a) Total Foreign Exchange Earnings	548.53	712.27
(b) Total Foreign Exchange Outgo	104.69	160.65



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## ANNEXURE G TO THE BOARD'S REPORT

### POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

#### REMUNERATION POLICY

In accordance with the provisions of section 178(3) of the Companies Act, 2013 ('the Act'), 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 Act read with the applicable rules thereto and Regulations of LODR. This policy is 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 are in accordance with provisions of (a) the Act read with rules framed there under (b) LODR (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 are paid to Non-Executive Directors on attendance basis within the limits prescribed under the Act 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, 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 one 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 Act read with the rules framed there under and LODR.

## II. POSITIVE ATTRIBUTES

- (a) He/She should be person of integrity with high ethical standards.
- (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 read with 16(b) of LODR.

NOTE: All current independent directors of your Company are in fitment with the criteria prescribed in the rules referred above.

Place : Gurugram  
Date : May 22,2017

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, 2017, the Statement of Profit and Loss and 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. 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, 2017, 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, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.
  - ii. The Company did not have long term contracts including derivative contracts requiring provision for material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For VAKIL JAIN & HINDOCHA  
Chartered Accountants  
Firm Registration No.112894W  
SURENDRA MODIANI  
Partner  
Membership No.047966

Place : Vadodara  
Date : May 22, 2017

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Munjal Auto Industries Limited for the year ended 31<sup>st</sup> March, 2017

- 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;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, which are freehold, are held in the name of the Company. In respect of immovable properties which are leasehold and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- ii) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification.
- 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 clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the order are not applicable.





- iv) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of clause (iv) of paragraph 3 of the said Order are not applicable to the Company.
- v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits.
- vi) According to our information, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of the section 148 of the Companies Act for the products of the company.
- 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 material statutory dues applicable to it to the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, value added tax, service tax or duty of customs which have not been deposited on account of any dispute.

The particulars of dues of Sales Tax and Duty of Excise which have not been deposited as on March 31, 2017 on account of disputes are as under;

Name of the statute	Amount involved (Rs.)	Period to which amount relates	Forum where dispute is pending
Gujarat Sales Tax Act	25,49,704/- (out of total demand of Rs.31,88,704/-)	Financial year 2002-03	Commissioner of Commercial Tax (Appeals)
The Central Excise Act, 1944	58,76,332/-	June, 2008 to March, 2009	Commissioner of Customs, Excise and Service Tax (Appeals)

- viii) The Company has not defaulted in repayment of loans or borrowings to Bank. There are no loans or borrowings from financial institutions and government and the Company has not issued any debentures.
- ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

SURENDRA MODIANI  
Partner  
Membership No.047966

Place : Vadodara  
Date : May 22, 2017

## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Munjal Auto Industries Limited for the year ended 31<sup>st</sup> March, 2017]

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

We have audited the internal financial controls over financial reporting of Munjal Auto Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal



financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SURENDRA MODIANI  
Partner  
Membership No.047966

Place : Vadodara  
Date : May 22, 2017

## BALANCE SHEET AS AT MARCH 31, 2017

(Amount in Rs.)

Particulars	Note No	As at March 31, 2017	As at March 31, 2016
<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	2,403,560,214	2,085,893,810
		<u>2,503,560,214</u>	<u>2,185,893,810</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long Term Borrowings	2.3	288,947,670	460,720,155
Deferred Tax Liabilities (Net)	2.4	105,407,489	97,868,555
Long Term Provisions	2.5	63,553,126	64,429,086
		<u>457,908,285</u>	<u>623,017,796</u>
<b><u>CURRENT LIABILITIES</u></b>			
Short Term Borrowings	2.6	8,884,389	71,832,890
Trade Payables	2.7		
i Total outstanding dues of micro enterprise and small enterprise		15,597,249	13,010,626
ii Total outstanding dues other than micro enterprise and small enterprise		1,009,807,599	913,941,238
Other Current Liabilities	2.8	322,410,068	291,585,607
Short Term Provisions	2.9	49,097,462	39,336,111
		<u>1,405,796,767</u>	<u>1,329,706,472</u>
<b>TOTAL</b>		<u>4,367,265,266</u>	<u>4,138,618,078</u>
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Fixed Assets			
- Tangible Assets	2.10	1,850,272,753	1,738,157,797
- Intangible Assets	2.11	17,509,989	17,314,471
- Capital Work in Progress	2.12	16,911,092	142,583,758
Long Term Loans and Advances	2.13	98,212,627	69,173,786
Other Non Current Assets	2.14	263,088,070	263,026,871
		<u>2,245,994,531</u>	<u>2,230,256,683</u>
<b><u>Current Assets</u></b>			
Current Investments	2.15	448,158,624	223,071,845
Inventories	2.16	242,538,219	274,103,429
Trade Receivables	2.17	1,329,598,480	1,278,372,610
Cash and Cash Equivalents	2.18	22,912,200	29,269,268
Short Term Loans and Advances	2.19	78,063,212	103,544,243
		<u>2,121,270,735</u>	<u>1,908,361,395</u>
<b>TOTAL</b>		<u>4,367,265,266</u>	<u>4,138,618,078</u>

### 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

S. K. Sharma  
CFO  
Rakesh Johari  
Company Secretary

For and on behalf of the Board  
Sudhir Kumar Munjal  
Anuj Munjal  
Vikram Shah  
Chairman & Managing Director  
Whole Time Director  
Director

Vadodara  
Date : May 22, 2017

Gurugram  
Date : May 22, 2017



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

		(Amount in Rs.)	
Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<u>Revenue from operations</u>			
Revenue from Operations (Gross)	2.20	9,295,289,402	9,683,143,618
Less : Excise Duty		796,020,298	832,544,451
Revenue from Operations (Net)		8,499,269,104	8,850,599,167
Add : Other Income	2.21	33,689,070	33,132,418
Total Revenue		8,532,958,174	8,883,731,585
<u>Expenses:</u>			
Cost of Materials Consumed	2.22	6,385,680,633	6,737,323,755
Changes in Inventories of Finished Goods and Work in Progress	2.23	(18,774,673)	35,567,731
Employee Benefits Expenses	2.24	558,870,764	521,133,175
Finance Costs	2.25	54,763,075	79,429,545
Depreciation and Amortization Expenses	2.26	174,127,222	166,609,693
Other Expenses	2.27	970,152,482	1,096,588,744
Total Expenses		8,124,819,503	8,636,652,643
PROFIT BEFORE TAX		408,138,671	247,078,942
Tax Expenses			
Current Tax		82,933,324	50,810,636
Less : MAT Credit Entitlement		-	(24,437,398)
Net Current Tax		82,933,324	26,373,238
Deferred Tax		7,538,943	19,944,923
PROFIT FOR THE YEAR		317,666,404	200,760,781
Earning per Equity Share (of Rs. 2/- each)			
Basic		6.35	4.02
Diluted		6.35	4.02

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

S. K. Sharma  
CFO  
  
Rakesh Johari  
Company Secretary

For and on behalf of the Board

Sudhir Kumar Munjal      Chairman & Managing Director  
Anuj Munjal                Whole Time Director  
Vikram Shah                Director

Vadodara  
Date : May 22, 2017

Gurugram  
Date : May 22, 2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	For the year ended March 31, 2017	(Amount in Rs.) For the year ended March 31, 2016
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Tax and Extra Ordinary Items	408,138,671	247,078,942
Adjustments for :		
Depreciation	174,127,222	166,609,693
(Profit)/ Loss on sale of fixed assets (Net)	4,117,680	(880,123)
Net Gain on Foreign Exchange Rate Fluctuations	-	(3,279,065)
Profit on Sale of Investments	(1,754,587)	(11,597,042)
Diminution of Value of Investment	(1,531,354)	-
Interest Income	(1,397,675)	(1,479,874)
Interest Expenses and applicable foreign exchange fluctuations	54,763,075	79,429,545
Dividend Income	(17,690,707)	(5,887,669)
	<u>210,633,654</u>	<u>222,915,465</u>
Operating Profit Before Working Capital Changes	<u>618,772,325</u>	<u>469,994,407</u>
<u>(Increase) / Decrease in Working Capital :</u>		
Inventories	31,565,210	133,735,734
Trade Receivables	(51,225,870)	(183,054,446)
Other Current Assets	27,519,888	(12,266)
Trade Payables	99,923,802	68,704,776
Other Liabilities	37,840,890	(806,767)
	<u>145,623,920</u>	<u>18,567,031</u>
Cash Generated from Operations	<u>764,396,245</u>	<u>488,561,438</u>
Income Tax paid	<u>(84,847,777)</u>	<u>(52,230,737)</u>
Net Cash from Operating Activities ..... A	<u>679,548,468</u>	<u>436,330,701</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets	(199,476,004)	(104,564,690)
Proceeds from Sale of Fixed Assets	5,847,799	13,156,567
Sale of Investments	2,513,253,329	3,033,607,721
Purchase of Investments	(2,718,894,813)	(2,970,623,008)
Dividend Received	17,690,707	5,887,669
Interest Received	1,126,814	1,209,013
Net Cash used in Investing Activities ..... B	<u>(380,452,168)</u>	<u>(21,326,728)</u>





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (Continued)

		(Amount in Rs.)
	For the year ended March 31, 2017	For the year ended March 31, 2016
C. Cash Flow from Financing Activities		
Dividend paid	-	(195,000,000)
Dividend Distribution Tax paid	-	(35,494,350)
Interest paid	(56,396,382)	(78,456,827)
Repayment of Long Term Borrowings	(186,108,485)	(161,000,680)
Working Capital Finance from Banks	(62,948,501)	52,897,342
Net Cash from Financing Activities ..... C	<u>(305,453,368)</u>	<u>(417,054,515)</u>
Net Increase/(Decrease) in Cash & Cash equivalents	(6,357,068)	(2,050,542)
Cash and Cash Equivalents at the beginning of the year	29,269,268	31,319,810
Cash and Cash Equivalents at the end of the year	22,912,200	29,269,268
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

Vadodara  
Date : May 22, 2017

S. K. Sharma  
CFO

Rakesh Johari  
Company Secretary

For and on behalf of the Board

Sudhir Kumar Munjal

Anuj Munjal

Vikram Shah

Chairman & Managing Director

Whole Time Director

Director

Gurugram  
Date : May 22, 2017

## 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 recognized when substantial risk and rewards of ownership are transferred to customers.

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 benefit 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 been amortised over lease period.

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. In the opinion of management useful life of fixed assets broadly correspondence to life as specified in schedule II of the Companies Act, 2013 and the depreciation provided accordingly. 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 includes cost of purchases and other cost incurred in bringing the inventory to their present location and condition. Cost is ascertained on weighted average method. Net realisable value is estimated selling price in ordinary course of business, less estimated cost necessary to make the sale.

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, 2017

Note No	Particulars	As at March 31, 2017	As at March 31, 2016
2.1	<b>SHARE CAPITAL</b>		
	<u>Authorised</u>		
	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
		<u>250,000,000</u>	<u>250,000,000</u>
	<u>Issued, Subscribed and Paid-Up</u>		
	50,000,000 (50,000,000) Equity Shares of Rs.2/- (Rs.2/-) each	100,000,000	100,000,000
		<u>100,000,000</u>	<u>100,000,000</u>

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, 2017 and March 31, 2016 is set out below;

Particulars	As at March 31, 2017		As at March 31, 2016	
	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, 2017		As at March 31, 2016	
	No. of Shares	%	No. of Shares	%
Thakur Devi Investments Private Limited (Holding Company)	37,403,225	74.81%	37,403,225	74.81%

Particulars	As at March 31, 2017	As at March 31, 2016
2.2 <b>RESERVE &amp; SURPLUS</b>		
Capital Reserve		
Profit on re-issue of forfeited shares	209,150	209,150
General Reserve		
Opening Balance	284,872,738	284,872,738
Add : Transferred from Statement of Profit and Loss	-	-
Closing Balance	<u>284,872,738</u>	<u>284,872,738</u>
Surplus in Statement of Profit and Loss		
Opening Balance	1,800,811,922	1,684,301,741
Add : Profit for the year	317,666,404	200,760,781
Total	<u>2,118,478,326</u>	<u>1,885,062,522</u>
Less :		
- Dividend (Previous year Rs.1.40/- per share) (refer note no. 2.28 G)	-	70,000,000
- Dividend Tax	-	14,250,600
Closing Balance	<u>2,118,478,326</u>	<u>1,800,811,922</u>
Total Balance	<u>2,403,560,214</u>	<u>2,085,893,810</u>

## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

Note No	Particulars	As at March 31, 2017	As at March 31, 2016
2.3	<u>LONG TERM BORROWINGS</u>		
	Term Loans from Banks - Secured (refer note no. 2.28B)	288,947,670	460,720,155
		<u>288,947,670</u>	<u>460,720,155</u>
2.4	<u>DEFERRED TAXES</u>		
	Deferred Tax Liabilities		
	Accumulated Depreciation	143,677,329	138,107,959
	Deferred Tax Assets		
	Employees Benefits deductible on payment	38,269,840	40,239,404
		<u>105,407,489</u>	<u>97,868,555</u>
2.5	<u>LONG TERM PROVISIONS</u>		
	Provisions for Employee Benefits		
	- Leave Benefits	41,037,133	33,346,792
	- Gratuity	15,940,048	26,118,080
	Provision for Warranties	6,575,945	4,964,214
		<u>63,553,126</u>	<u>64,429,086</u>
	<u>CURRENT LIABILITIES</u>		
2.6	<u>SHORT TERM BORROWINGS</u>		
	Loans repayable on demand		
	From Banks	8,884,389	71,832,890
	- Secured	<u>8,884,389</u>	<u>71,832,890</u>
	These loans are secured by a first charge on inventories, receivables and all other current assets of the Company.		
2.7	<u>TRADE PAYABLES</u>		
	i. Total outstanding dues of micro enterprise and medium enterprise	15,597,249	13,010,626
	ii. Total outstanding dues other than micro enterprise and small enterprise	1,009,807,599	913,941,238
		<u>1,025,404,848</u>	<u>926,951,864</u>
2.8	<u>OTHER CURRENT LIABILITIES</u>		
	1 Current Maturities of Long Term Debts (refer note no. 2.28B)	146,397,332	160,733,332
	2 Interest Accrued but not due on Borrowings	3,917,690	5,550,997
	3 Unpaid Dividends	9,173,513	12,292,907
	4 Other Payables		
	- Statutory Liabilities	25,087,615	18,772,037
	- Creditors for Purchase of Capital Goods	15,084,735	11,038,787
	- Salary and Other Benefits to Employees	71,604,065	51,615,389
	- Advances from Customer	2,663,924	2,563,067
	- Deposits from Contractors	2,829,394	4,226,977
	- Expenses Payable	45,651,800	24,792,114
		<u>322,410,068</u>	<u>291,585,607</u>



## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

Note No	Particulars	As at March 31, 2017	As at March 31, 2016
2.9	<b>SHORT TERM PROVISIONS</b>		
a	Provisions for Employee Benefits		
-	Leave Benefits	35,219,635	27,477,276
-	Gratuity	10,638,928	9,413,774
b	Other Liabilities		
-	Provision for Warranties	3,238,899	2,445,061
		<b>49,097,462</b>	<b>39,336,111</b>

### A. FIXED ASSETS Current Year

(Amount in Rs.)

PARTICULARS	Gross Block			Depreciation/ Amortisation Block				Net Block		
	As on April 1, 2016	Additions	Deduction	As at March 31, 2017	Opening Balance as on April 1, 2016	For the period	Deduction	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
2.10 <u>TANGIBLE ASSETS</u>										
Land										
- Freehold Land	163,523,022	-	-	163,523,022	-	-	-	-	163,523,022	163,523,022
- Leasehold Land	7,365,133	51,927,032	-	59,292,165	-	2,165,524	-	2,165,524	57,126,641	7,365,133
Buildings	579,461,811	84,400,422	-	663,862,233	155,788,852	18,232,284	-	174,021,136	489,841,097	423,672,959
Plant and Equipments	1,870,534,713	119,527,873	6,610,961	1,983,451,625	797,777,929	139,510,113	2,639,040	934,649,002	1,048,802,623	1,072,756,784
Furniture and Fixture	52,063,403	413,712	5,680,158	46,796,957	20,185,629	2,245,284	5,039,562	17,391,351	29,405,606	31,877,774
Vehicles	66,676,971	33,453,023	26,435,014	73,694,980	36,192,149	6,071,911	21,128,367	21,135,693	52,559,287	30,484,822
Office Equipments	19,045,440	2,874,230	1,125,945	20,793,725	13,363,751	1,967,112	1,079,630	14,251,233	6,542,492	5,681,689
Computers	17,626,798	1,068,076	227,502	18,467,372	14,831,184	1,391,705	227,502	15,995,387	2,471,985	2,795,614
	2,776,297,291	293,664,368	40,079,580	3,029,882,079	1,038,139,494	171,583,933	30,114,101	1,179,609,326	1,850,272,753	1,738,157,797
2.11 <u>INTANGIBLE ASSETS</u>										
Computer Software	41,156,803	2,738,807	3,607,730	40,287,880	23,842,332	2,543,289	3,607,730	22,777,891	17,509,989	17,314,471
	41,156,803	2,738,807	3,607,730	40,287,880	23,842,332	2,543,289	3,607,730	22,777,891	17,509,989	17,314,471
2.12 <u>CAPITAL WORK IN PROGRESS</u>									16,911,092	142,583,758

### B. FIXED ASSETS Previous Year

PARTICULARS	Gross Block			Depreciation/ Amortisation Block				Net Block		
	As on April 1, 2015	Additions	Deduction	As at March 31, 2016	Opening Balance as on April 1, 2015	For the period	Deduction	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>2.10 TANGIBLE ASSETS</b>										
Land										
- Freehold Land	162,669,102	853,920	-	163,523,022	-	-	-	-	163,523,022	162,669,102
- Leasehold Land	7,365,133	-	-	7,365,133	-	-	-	-	7,365,133	7,365,133
Building	552,468,258	26,993,553	-	579,461,811	136,507,041	19,281,811	-	155,788,852	423,672,959	415,961,217
Plant and Equipments	1,796,252,245	129,654,689	55,372,221	1,870,534,713	709,189,336	133,318,518	44,729,925	797,777,929	1,072,756,784	1,087,062,909
Furniture and Fixture	46,705,035	5,358,368	-	52,063,403	18,001,084	2,184,545	-	20,185,629	31,877,774	28,703,951
Vehicles	56,224,809	13,386,533	2,934,371	66,676,971	32,239,828	5,252,543	1,300,222	36,192,149	30,484,822	23,984,980
Office Equipments	17,060,974	2,246,110	261,645	19,045,440	10,671,170	2,954,226	261,645	13,363,751	5,681,689	6,389,805
Computers	16,623,515	1,003,283	-	17,626,798	13,467,081	1,364,103	-	14,831,184	2,795,614	3,156,435
	2,655,369,071	179,496,456	58,568,237	2,776,297,291	920,075,540	164,355,746	46,291,792	1,038,139,494	1,738,157,797	1,735,293,532
<b>2.11 INTANGIBLE ASSETS</b>										
Computer Software	41,156,803	-	-	41,156,803	21,588,385	2,253,947	-	23,842,332	17,314,471	19,568,417
	41,156,803	-	-	41,156,803	21,588,385	2,253,947	-	23,842,332	17,314,471	19,568,417
<b>2.12 CAPITAL WORK IN PROGRESS</b>									142,583,758	217,044,436



## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

Note No	Particulars	As at March 31, 2017	As at March 31, 2016
2.13	<u>LONG TERM LOANS AND ADVANCES</u> (Unsecured, Considered Good)		
	Capital Advances	77,075,570	48,330,076
	Security Deposits	21,137,057	20,843,710
		<u>98,212,627</u>	<u>69,173,786</u>
2.14	<u>OTHER NON-CURRENT ASSETS</u>		
	MAT Credit entitlement	263,088,070	263,026,871
		<u>263,088,070</u>	<u>263,026,871</u>

	<u>CURRENT ASSETS</u>		<u>As at March 31, 2017</u>		<u>As at March 31, 2016</u>	
2.15	<u>CURRENT INVESTMENTS</u>		Unit	Amount	Unit	Amount
	<u>INVESTMENT IN MUTUAL FUNDS (UNQUOTED)</u>					
	HDFC High Int Fund - Dynamic Plan	610,105	24,170,846	610,105	24,170,846	
	HDFC Liquid Fund DDR	44	44,776	-	-	
	HDFC Equity Fund	19,181	8,500,000	19,181	8,500,000	
	HDFC Midcap Opportunities Fund	381,311	13,500,000	269,309	8,500,000	
	HDFC TOP 200 Fund	-	-	15,118	5,000,000	
	Reliance Small Cap Fund	472,152	12,511,922	228,042	5,011,922	
	Reliance Liquid Fund	100,655	153,874,886	38,391	58,689,946	
	Reliance Equity Opportunities Fund	-	-	68,583	5,071,256	
	DSP Blackrock Microcap Fund	122,034	5,135,852	81,651	3,035,852	
	DSP Blackrock Money Manager Fund	55	54,846	-	-	
	DSP Blackrock Opportunities Fund	86,207	15,000,000	-	-	
	Reliance Money Manager Fund Institutional Plan	117,807	118,691,044	91,329	91,580,053	
	ICICI Prudence value discovery Fund	76,991	8,362,806	27,094	2,500,000	
	ICICI Prudence Top 100 Fund	-	-	33,361	7,500,000	
	ICICI Prudence Banking and Financial Fund	-	-	149,563	5,043,324	
	ICICI Equity Arbitrage Fund	1,181,960	25,000,000	-	-	
	SBI Blue Chip Fund	281,832	9,000,000	-	-	
	SBI Ultra Short Term Debt Fund	77	78,250	-	-	
	Motilal Oswal Most Focused Multicap Fund	719,327	14,080,082	-	-	
	Kotak Equity Arbitrage Fund	1,096,987	25,000,000	-	-	
	Kotak Select Focus Fund- GR Plan	582,569	15,153,314	-	-	
	Less : Provision for Diminution in Value of Investments	-	-	-	(1,531,354)	
			<u>448,158,624</u>		<u>223,071,845</u>	
	Agregate Amount of Unquoted Investments		448,158,624		223,071,845	
	Market Value of Unquoted Investments		480,745,440		229,354,420	



## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

Note No	Particulars	As at March 31, 2017	As at March 31, 2016
2.16	<b>INVENTORIES</b>		
1	Raw Materials	117,486,991	167,132,747
2	Work in Process	35,309,003	47,165,693
3	Work in Process - Stock in Transit	15,606,297	7,746,738
4	Finished Goods	50,055,674	27,283,870
5	Store and Spares	24,080,254	24,774,381
		<u>242,538,219</u>	<u>274,103,429</u>
2.17	<b>TRADE RECEIVABLES</b> (Unsecured Considered Good)		
	Debts outstanding for a period not exceeding six months from the date they are due for payment	342,606	-
	Others	1,329,255,874	1,278,372,610
		<u>1,329,598,480</u>	<u>1,278,372,610</u>
2.18	<b>CASH AND CASH EQUIVALENTS</b>		
	Balance with Banks in Fixed Deposits		
-	Held as margin money or security against borrowings	374,762	369,007
	Balance with Banks in Current Accounts	12,591,876	16,277,687
	Earmarked balances with banks :		
-	Dividend Accounts	9,173,513	12,292,907
	Cash in Hand	772,049	329,667
		<u>22,912,200</u>	<u>29,269,268</u>
2.19	<b>SHORT TERM LOANS AND ADVANCES</b> (Unsecured Considered Good)		
	<u>Balance with Government Authorities</u>		
	CENVAT / Service Tax Credit	35,661,783	62,599,494
	Excise duty - current account	4,478,292	2,111,948
	VAT / Sales tax credit	17,573	3,379,396
	Income Tax (net of provision)	4,394,217	2,332,874
		<u>44,551,865</u>	<u>70,423,712</u>
	<u>Others</u>		
	Loans and advances to Employees	96,497	604,200
	Advance to Suppliers	10,683,331	15,366,681
	Prepaid Expenses	14,491,829	11,932,730
	Others	8,239,690	5,216,920
		<u>33,511,347</u>	<u>33,120,531</u>
		<u>78,063,212</u>	<u>103,544,243</u>

## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Note Particulars No	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>2.20 REVENUE FROM OPERATIONS</b>		
Sale of Products	9,224,976,059	9,595,760,571
Other Operating Revenues		
Sale of Scrap	70,313,343	87,383,047
	<u>9,295,289,402</u>	<u>9,683,143,618</u>
Less: Excise Duty	796,020,298	832,544,451
Revenue from Operations (Net)	<u>8,499,269,104</u>	<u>8,850,599,167</u>
Product wise details		
Mufflers	8,587,872,416	8,741,537,636
Motorcycle Rims	261,286,267	327,663,821
Scooter Wheels	156,191,197	265,225,809
Other Components	219,626,179	261,333,305
	<u>9,224,976,059</u>	<u>9,595,760,571</u>
<b>2.21 OTHER INCOME</b>		
Interest Income		
- Interest from Fixed Deposit	1,390,153	1,429,833
- Interest from Others	7,523	50,041
Dividend Income		
- From Current Investments	17,690,707	5,887,669
Net gain on sale of Investment		
- from Current Investments	1,754,587	11,597,042
Cash discount received	3,595,053	3,536,698
Diminution in Value of Investment Written Back	1,531,354	-
Net gain on foreign currency transaction and translation (other than considered as finance cost)	-	3,279,065
Other Non-Operating Income (Net of expenses directly attributable to such income)		
- Profit on Sales of Fixed Assets (Net)	-	880,123
- Liability / Provisions no longer required written back	1,470,818	715,195
- Miscellaneous Income	6,248,875	5,756,752
	<u>33,689,070</u>	<u>33,132,418</u>
<b>2.22 COST OF MATERIALS CONSUMED</b>		
Purchases of Raw Materials and Packing Materials	6,336,034,877	6,650,731,829
Add: Opening Balance of Stock	167,132,747	253,724,673
	<u>6,503,167,624</u>	<u>6,904,456,502</u>
Less: Closing Balance of Stock	117,486,991	167,132,747
Consumption of Materials	<u>6,385,680,633</u>	<u>6,737,323,755</u>
Raw Materials under broad heads		
CR and SS Strips	1,251,977,692	1,387,845,945
Nickel	121,002,454	138,721,225
Catalytic Converter	1,858,947,830	1,786,633,745
Paint & Chemicals	359,218,656	427,408,067
Components and BOPs	2,583,122,057	2,319,228,218
Others	211,411,944	677,486,555
	<u>6,385,680,633</u>	<u>6,737,323,755</u>



NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Note No	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
2.23	<u>CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</u>		
	<u>Finished Goods</u>		
	At the beginning of the Accounting Period	27,283,870	26,734,444
	At the end of the Accounting Period	50,055,674	27,283,870
		(22,771,804)	(549,426)
	<u>Work in Progress</u>		
	At the beginning of the Accounting Period	47,165,693	60,749,166
	At the end of the Accounting Period	35,309,003	47,165,693
		11,856,690	13,583,473
	<u>Work in process - Stock in Transit</u>		
	At the beginning of the Accounting Period	7,746,738	30,280,422
	At the end of the Accounting Period	15,606,297	7,746,738
		(7,859,559)	22,533,684
	Total	(18,774,673)	35,567,731
	Work in Progress under broad heads		
	Mufflers	28,332,026	31,873,784
	Motorcycle Rims	91,708	975,237
	Scooter Wheels	1,176,637	3,506,582
	Other Components	5,708,632	10,810,090
		35,309,003	47,165,693
2.24	<u>EMPLOYEE BENEFITS EXPENSES</u>		
	Salaries and Wages	480,870,304	452,732,900
	<u>Contribution to</u>		
	Provident & Other Fund	30,727,485	30,798,653
	Superannuation Scheme	8,257,977	6,044,223
	Gratuity Fund	17,703,437	8,942,234
	<u>Other Expenses</u>		
	Staff Welfare Expense	21,311,561	22,615,165
		558,870,764	521,133,175
2.25	<u>FINANCIAL COSTS</u>		
	Interest Expense	53,737,104	78,572,390
	Other Borrowing Costs	871,122	857,155
	Applicable net gain/loss on foreign currency transaction and translation	154,849	-
		54,763,075	79,429,545
2.26	<u>DEPRECIATION AND AMORTIZATION EXPENSE</u>		
	Depreciation and Amortization Expense	174,127,222	166,609,693
		174,127,222	166,609,693

## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Note Particulars No	For the year ended March 31, 2017	For the year ended March 31, 2016
2.27 <u>OTHER EXPENSES</u>		
<u>Manufacturing Expense :</u>		
<u>Consumption of Stores and Spare Parts</u>		
Opening Stock	24,774,381	36,350,458
Add: Purchases	269,250,242	295,497,305
Total	294,024,623	331,847,763
Less: Closing Stock	24,080,254	24,774,381
	269,944,369	307,073,382
Power and Fuel	181,996,335	216,447,354
Rent	13,112,485	13,170,514
Repairs to Buildings	3,390,514	1,820,284
Repairs to Machinery	16,508,353	12,307,818
Repairs and Maintenance Others	9,626,714	8,825,739
Insurance Premium	13,397,331	13,429,096
CSR expenditure	6,630,000	6,101,000
Rates and Taxes excluding Taxes on Income	2,004,700	1,682,484
Wages to Contractors	207,023,131	252,425,873
Job Work Charges	41,925,899	50,884,773
Freight Inward	13,517,351	17,830,298
Freight and Cartage (Outward)	81,619,883	81,441,824
Loss on Fixed Assets Sold / Discarded (Net)	4,117,680	-
Diminuation in Value of Investments	-	1,531,354
Miscellaneous Expenses	105,337,737	111,616,951
	970,152,482	1,096,588,744

## 2.28 ADDITIONAL INFORMATION

- A 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 lacs 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 lacs (Previous Year Rs.15.45 lacs) 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.20.11 lacs (Previous Year: Rs.18.39 lacs) on the aforesaid amount till 31<sup>st</sup> March 2017 is not accounted for.



# NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

## B Nature of security and terms of repayment for long term secured borrowings including current maturities

Nature of security	Terms of Repayment
Term loan outstanding Rs.1.25 Crores	Repayable in 20 equal quarterly instalments of Rs.25 lacs commencing from September, 2013
Term loan outstanding Rs.6.12 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.4.73 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.6.33 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.7.92 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.17.19 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

## C 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, 2017 as identified to the extent of information available as per following details

	As at March 31, 2017	As at March 31, 2016
The Principal amount and interest due thereon remaining unpaid		
- Principal Amount	15,597,249	13,010,626
- Interest	90,640	145,218
Amount of Interest paid by Company along-with the amounts of payments made beyond the appointed day for the year ending on 31 <sup>st</sup> March, 2016	-	-
Amount of interest due and payable for the period of delay in making payment beyond appointed day during the year	90,640	145,218
Amount of further interest remaining due and payable for earlier year	4,040,924	3,895,706

## D 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.

	2016-17	(Amount in Rs.) 2015-16
Employer's contribution to Provident and other Funds	30,727,485	30,798,653
Employer's contribution to Superannuation Fund	8,257,977	6,044,223

## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

### 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.)

	2016-17	2015-16
	Gratuity (Funded)	Gratuity (Funded)
I Change in benefit obligation		
Opening benefit obligation	86,847,803	78,534,935
Service cost for the year	9,413,774	8,891,890
Interest cost for the year	5,705,947	5,220,406
Actuarial losses / (gains) on curtailments	5,936,411	(1,673,244)
Benefits paid	(4,696,883)	(4,126,184)
Closing defined benefit obligation	103,207,052	86,847,803
II Fair Value of Plan Assets		
Opening fair value of plan assets	51,315,948	43,899,401
Expected Return on Plan Assets	3,301,600	3,221,412
Contribution by employer	26,656,315	7,764,287
Benefits paid	(4,696,883)	(3,562,930)
Actuarial (loss) / gain on plan assets	51,095	622,162
Expenses deducted from the fund	-	(628,384)
Closing balance of fair value of plan assets	76,628,075	51,315,948
III Actual Return on Plan Assets		
Actual return on plan assets	3,352,695	3,843,574
Expected Return on Plan Assets	3,301,600	3,221,412
Actuarial gain / (loss) on plan assets	51,095	622,162
IV Amount Recognised in the Balance Sheet		
Present value of defined benefit obligation	103,207,051	86,847,802
Plan assets at the end of the period at fair value	76,628,075	51,315,948
Liability recognised in the balance sheet	26,578,976	35,531,854
V Amount Recognised in Statement of Profit and Loss		
Current service cost	9,413,774	8,891,890
Interest on Obligation	5,705,947	5,220,406
Expected Return on Plan Assets	(3,301,600)	(3,221,412)
Net Actuarial Loss / (Gain) recognised in the year	5,885,316	(2,577,033)
Expenses deducted from the fund	-	628,384
Total included in 'employee benefit expense'	17,703,437	8,942,235
VI Investment Details (% invested)		
Policy of insurance	100%	100%
VII Actuarial Assumptions		
Discount rate current	7.15%	7.80%
Rate of return on plan assets current	7.15%	7.80%
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, 2017

Note No	Particulars	As at March 31, 2017	As at March 31, 2016
E	The details of provision for warranty claims as under		
	Provision at beginning of the year	7,409,275	5,622,993
	Provision made during the year	3,198,019	3,724,304
	Amount utilised during the year	792,450	1,938,022
	Provision at end of the year	9,814,844	7,409,275
F	Details of Contingent Liabilities		
I	Unexpired Bank Guarantee (Net of Margin Money)	938,000	2,378,000
II	Amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	2,913,596	11,801,181
III	Claims against the company not acknowledged as debt under the labour laws	8,482,232	17,206,252
IV	Income Tax liability that may arise in respect of which department in Appeal	7,583,093	5,157,567
V	Sales Tax liability that may arise in respect of which company filled an Appeal	3,188,704	3,188,704
VI	Excise liability that may arise in respect of which company filled an Appeal	5,876,332	23,656,013
G	Proposed Dividend		
	Amount of dividend proposed to be distributed to equity shareholders (current year Rs. 2/- per share) (previous year Rs.1.40/- per share)	100,000,000	70,000,000
	Dividend distribution tax payable	20,358,000	14,250,600
	Until 31 <sup>st</sup> March 2016, provision was made in respect for such proposed dividend. However, in view of revision in accounting standard such provision is not made in respect of dividend proposed after the date of Balance Sheet.		

H Details of Specified Bank Notes (SBN) held and transacted during the period from 08<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	116,000	44,382	160,382
(+) Permitted receipts	-	670,645	670,645
(-) Permitted payments	-	650,206	650,206
(-) Amount deposited in Banks	116,000	-	116,000
Closing cash in hand as on 30.12.2016	-	64,821	64,821

Note No	Particulars	As at March 31, 2017	As at March 31, 2016
I	Payment to the Auditors		
	As Auditors	1,200,000	1,200,000
	For Other Services	250,000	250,000
	For Taxation Matters	300,000	150,000
	Total	1,750,000	1,600,000
J	Value of Imports Calculated on C.I.F basis by the Company during the financial year in respect of		
	Raw Materials	9,454,643	12,995,038
	Stores and Spare Parts	9,270	1,962,385
	Total	9,463,913	14,957,423

## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Note No	Particulars	As at March 31, 2017	As at March 31, 2016
K	Expenditure in Foreign Currency during the Financial Year on Account of Professional and consultation fees	710,752	818,062
	Bank Charges	34,623	39,144
	Foreign Travelling	259,766	250,803
	Total	<u>1,005,141</u>	<u>1,108,009</u>
L	Break up of Consumption		
I	Raw Materials;		
	Total Consumption		
	Imported		
	Value	9,454,643	12,995,038
	% of total	0.15%	0.20%
	Indigenous		
	Value	6,376,225,987	6,371,343,291
	% of total	99.85%	99.80%
II	Stores and Spare Parts		
	Imported		
	Value	9,270	1,962,385
	% of total	0.00%	0.73%
	Indigenous		
	Value	269,935,099	267,129,865
	% of total	100.00%	99.27%
M	Earning in Foreign Exchange		
I	Export of Goods on FOB basis	54,852,953	71,227,268
	Total	<u>54,852,953</u>	<u>71,227,268</u>
N	The Company has taken premises under operating lease. Rental expenses towards cancellable operating leases charged to profit and loss account amounts to Rs.1,31,12,485/- (previous year Rs.1,31,70,514/-)		
O	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 and 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	



## NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

### c) Transactions with the related parties during the year

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Key Managerial Personnel		
Remuneration		
Mr. Sudhir Kumar Munjal      Chairman and Managing Director	20,952,923	14,573,538
Mrs. Anju Munjal              Whole Time Director	19,083,808	14,251,846
Mr. Anuj Munjal              Whole Time Director	18,951,808	13,930,154
Balance Outstanding at the end of the year		
- Payables	8,042,509	3,058,400
b) Enterprises which are able to exercise control over the Company		
Dividend Paid	-	145,872,577

### Q Details of expenditure incurred on

#### "Corporate Social Responsibilities Activities"

a) Gross Amount required to be spent by the Company during the year	8,225,704	9,361,460
b) Amount spent during the year;		
Contribution to Prime Minister's National Relief Fund & Registered Trusts	6,630,000	6,101,000

R 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  
Surendra Modiani  
Partner  
Membership No. 47966

Vadodara  
Date : May 22, 2017

S. K. Sharma  
CFO  
Rakesh Johari  
Company Secretary

For and on behalf of the Board

Sudhir Kumar Munjal      Chairman & Managing Director  
Anuj Munjal              Whole Time Director  
Vikram Shah              Director

Gurugram  
Date : May 22, 2017

## CORPORATE GOVERNANCE

Corporate Governance is the embodiment of values/practices such as application of best management policies, continued compliances of applicable laws/regulations and consistently adhering to highest ethical standards while pursuing to achieve the Company's objectives of enhancing shareholders' value and its image.

The Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound corporate governance practices and to that end, your Company is committed towards fair and transparent dealings in all spheres of its operations including inter alia being sensitive and mindful of issues concerning the environment and society at large. Over the years, Company's culture has evolved to be a responsible Corporate Citizen of India.

A Report on compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India and incorporated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') is given below:-

#### 1. Board of Directors

The composition of the Board of your Company is in conformity with Regulation 17(1) of LODR. 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 cum Managing Director and Whole Time Directors are the Executive Directors looking after the day-today Management of your Company. The Chairman cum 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 ('the Act') 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 2017. 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 Regulation 26(1) of LODR], across all the companies.

##### b. Board Procedure

A detailed Agenda folder containing items of business to be transacted 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 and Managing Director apprises the Board at every meeting of the overall performance of the Company, followed by itemized presentations as necessary. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance status of all laws applicable to the Company as well as steps taken by your Company to rectify instances of non compliances if any, 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 major write backs/ impairment etc., Minutes of meetings of the Audit and other Committees of the Board contain information on recruitment and leaving 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

Four Board meetings were held on May 30, 2016, July 30, 2016, November 04, 2016 and February 04, 2017 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 held during the year 2016-17		Attendance at last AGM held on August 27, 2016	No. of Directorship Held in Listed Companies	No. of Committee Membership held*	Number of Committee Chairmanship held*
	Held	Attended				
Promoter Executive Directors						
Mr. Sudhir Kumar Munjal	4	4	Yes	1	1	None
Mrs. Anju Munjal	4	4	Yes	1	None	None
Mr. Anuj Munjal	4	4	Yes	1	1	None
Non Executive and Independent Directors						
Mr. Vikram Shah	4	4	Yes	1	1	1
Mr. Naresh Kumar Chawla	4	4	No	1	1	1
Mr. Mahendra Sanghvi	4	4	Yes	3	3	1
Mr. Ramkisan Devidayal	4	4	Yes	3	5	2
Mr. Sudesh Kumar Duggal	4	3	Yes	1	None	None
Mr. Jal Ratanshaw Patel	4	4	Yes	5	2	5

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

d. Board Evaluation

In compliance with the Act and LODR, the Independent Directors have carried out a performance review of the Board as a whole on the following parameters and came to following conclusion:-

- 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 so as to protect and take care of 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 governance structure that allows and encourages the Board to fulfill its responsibilities.
- The Board pays considerable attention to the quality of financial statement, reporting controls and allied matters.
- The Board gives effective advice for achieving 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. Anuj Munjal, Director will retire in the ensuing Annual General Meeting. Mr. Anuj Munjal, Director, being eligible, offers himself for reappointment.

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

The detailed resume of Mr. Anuj 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, 2017.

g. CEO/CFO Certification

In terms of Regulation 17(8) and Part B of Schedule II of LODR, 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, 2017.

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, 2017

Following is the remuneration paid/payable to the Executive Directors during the year ended 31<sup>st</sup> March, 2017.

(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	1,08,00,000	-	72,00,000	-	-	1,80,00,000	180
Mrs. Anju Munjal	94,50,000	-	70,50,000	-	-	1,65,00,000	180
Mr. Anuj Munjal	88,50,000	-	76,50,000	-	-	1,65,00,000	180
Mr. Vikram Shah	-	-	-	-	4,08,000	4,08,000	-
Mr. Naresh Kumar Chawla	-	-	-	-	3,80,000	3,80,000	-
Mr. Mahendra Sanghvi	-	-	-	-	3,80,000	3,80,000	-
Mr. Ramkisan Devidayal	-	-	-	-	3,40,000	3,40,000	-
Mr. Sudesh Kumar Duggal	-	-	-	-	1,40,000	1,40,000	-
Mr. Jal Ralanshaw Patel	-	-	-	-	1,80,000	1,80,000	-

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.

4. Committees of the Board

a. Audit Committee

The Audit Committee of the Company is constituted in line with Regulation 18 of LODR read with section 177 of the Act.

This Committee comprises of Independent Directors viz. Mr. Vikram Shah, Mr. Naresh Kumar Chawla, Mr. Mahendra Sanghvi, Mr. Ramkisan Devidayal and Mr. Sudhir Kumar Munjal, Chairman and Managing Director. 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 30, 2016, July 30, 2016, November 04, 2016 and February 04, 2017 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given below:-

Name of Director	Position held in the Committee	No. of Meetings during the year 2016-17 Held	Attended
Mr. Vikram Shah	Chairman	4	4
Mr. Naresh Kumar Chawla	Member	4	4
Mr. Mahendra Sanghvi	Member	4	4
Mr. Ramkisan Devidayal	Member	4	4
Mr. Sudhir Kumar Munjal	Member	4	4

Mr. Vikram Shah, the Chairman of the Committee is a Chartered Accountant. The role and terms of reference of the committee covers the matters specified under Regulation 18 and Part C of Schedule II of the LODR read with Section 177 of the Act. 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 and Whole Time Directors & meetings of Executive Directors of the Company.

Two Remuneration Committee meetings were held on May 30, 2016 and February 04, 2017 during the F.Y. 2016-17. The attendance record of the Nomination & Remuneration Committee is given below:-

Name of Director	Position held	No. of Meetings during the year 2016-17 Held	Attended
Mr. Mahendra Sanghvi	Chairman	2	2
Mr. Naresh Kumar Chawla	Member	2	2
Mr. Vikram Shah	Member	2	2
Mr. Sudhir Kumar Munjal	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 & Mrs. Anju Munjal holds 311 shares respectively as on March 31, 2017.

c. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee functions under the Chairmanship of Mr. Naresh Kumar Chawla. Four Stakeholders Relationship Committee meetings were held during the year on May 30, 2016, July 30, 2016, November 04, 2016 and February 04, 2017. The



attendance record of members of the Stakeholders Relationship Committee is given below:-

Name of Director	Position held	No. of Meetings during the year 2016-17 Held	Attended
Mr. Naresh Kumar Chawla	Chairman	4	4
Mr. Vikram Shah	Member	4	4
Mr. Mahendra Sanghvi	Member	4	4
Mr. Ramkisan Devidayal	Member	4	4
Mr. Anuj Munjal	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.

The Company confirms that there were no share transfers lying pending as on date which were received up to 31.03.2017 and all requests for dematerialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL / CDSL system.

## COMPLAINTS / REQUESTS RECEIVED AND REDRESSED DURING FY 2016-17

Nature of Complaint / Query	Received	Resolved	Pending
1. Inquiry pertaining to non receipt of shares sent for transfer	-	-	-
2. Non receipt of dividend	169	169	-
3. Dematerialization of shares/ Transmission of shares/ Name deletion	56	56	-
4. Letters received from SEBI / Stock Exchanges / other statutory bodies	2	2	-
5. Loss of shares / Issue of duplicate certificates	18	18	-
6. Request for nominations	-	-	-
7. Exchange of New Share Certificate	5	5	-
8. Miscellaneous queries	69	69	-
9. Non Receipt of Annual Report	-	-	-

### d. Share Transfer Committee

In accordance with LODR, the Board had delegated the powers of share transfer to the 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 9 times to consider and approve the requests pertaining to the share transfers, transmission, dematerialization, rematerialisation, issue of duplicate share certificates etc. 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 (CSR) Committee

The Corporate Social Responsibility Committee consists of 5 (Five) Directors namely, 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.

The Committee formulates and recommend to the Board, a Corporate Social Responsibility Policy and monitor and review the same and determine implementation process / execution of CSR policy.

Disclosures of contents of Corporate Social Responsibility as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as a separate annexure.

f. Independent Directors Meeting

During the year under review, the Independent Directors met on March 23, 2017 inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors, the Board of Directors as a whole ;
- Evaluation of the performance of the Chairman and Managing Director and Whole Time Directors of the Company;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

Name of Committee Member	Position held	No. of Meetings during the year 2016-17 Held	attended
Mr. Naresh Kumar Chawla	Member	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	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 2016-17, there were no materially significant transactions 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	June 30, 2017
Day	Friday
Time	3.00 PM
Venue	Registered Office of the Company: 187, GIDC Industrial Estate, Waghodia – 391760, Dist. Vadodara

### 2. Dates of Book Closure

Monday, June 26, 2017 to Friday, June 30, 2017 (both days inclusive)

### 3. Date of Dividend Payment

On or after June 30, 2017, but within the statutory time limit of 30 days, subject to shareholders' approval.

### 4. Financial Year of the Company

Financial of the Company begins from 1st April every year and ends on 31<sup>st</sup> March of every next year.

#### Financial reporting for the quarter ending

Jun 30, 2017	On or before Aug 14, 2017
Sep 30, 2017	On or before Nov 14, 2017
Dec 31, 2017	On or before Feb 14, 2018
Mar 31, 2018	On or before May 30, 2018

### 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

301, 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 2017-18 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



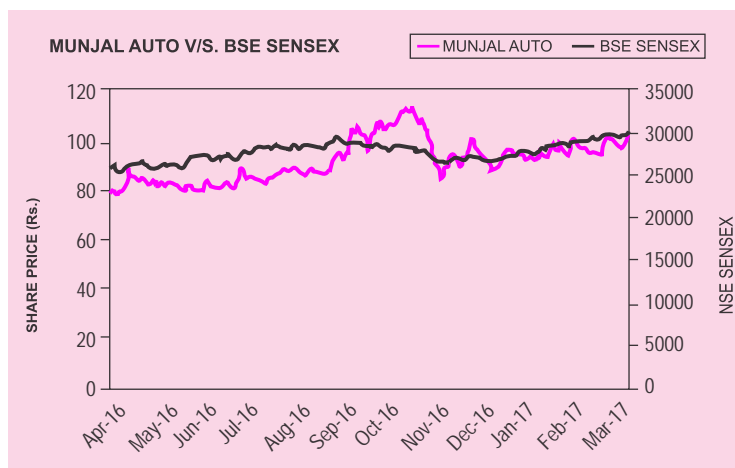
## 9. Stock Performance

Monthly high and low stock quotations during the financial year 2016-17 on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

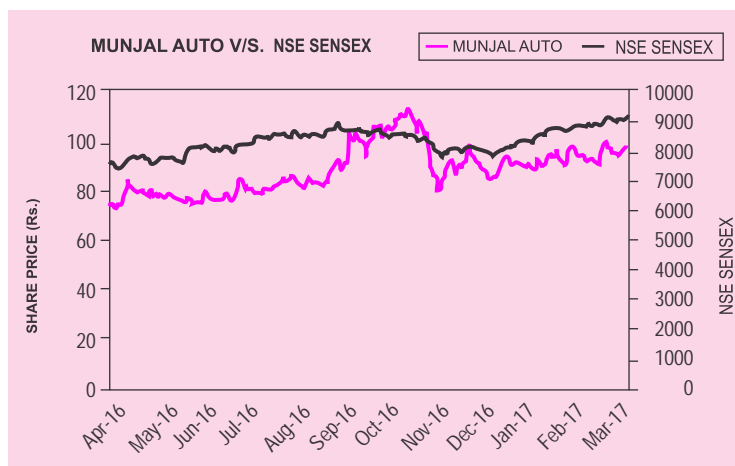
### SHARE PRICE DATA (NSE & BSE)

	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
Month	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April 2016	88.30	74.05	2,83,800	89.00	74.20	13,23,280
May 2016	82.75	76.00	1,22,114	82.45	76.00	5,46,370
June 2016	89.90	76.00	3,40,363	89.80	75.05	15,90,499
July 2016	89.35	79.55	2,20,923	89.80	79.55	11,71,208
August 2016	91.00	82.00	3,20,776	89.90	81.50	13,33,479
September 2016	109.00	84.00	12,83,319	108.15	83.05	47,76,587
October 2016	117.80	99.05	8,75,703	116.80	99.00	35,75,925
November 2016	115.60	81.45	5,39,729	115.90	81.25	21,32,217
December 2016	101.40	85.10	1,90,517	102.00	85.10	7,76,442
January 2017	96.50	88.60	1,18,327	97.00	88.50	4,78,739
February 2017	101.00	90.30	2,38,956	101.95	90.05	10,77,127
March 2017	106.80	91.60	4,21,766	106.80	91.55	21,36,659

### 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

Contact Person: Mr. S. M. Gandhi

10, Aram Apartment, 12, Sampatrao Colony, B/h Laxmi Hall, Alkapuri, Vadodara – 390 007 (Gujarat)

Tel.: +91 265 2350490/ 2314757, Fax: +91 265 2341639

E-mail: mcsitdbaroda@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 2016-17 was 9,525 shares.

## 12. Distribution of Shareholding as on 31<sup>st</sup> March, 2017

Distribution of Shareholding by number of shares held and Shareholding Pattern in percentage pursuant to Regulation 31(1)(b) of LODR as on March 31, 2017 are given below:

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	16,336	81.80	28,47,239	5.70
501 – 1000	1,602	8.02	13,46,951	2.70
1001 – 2000	1037	5.19	15,26,472	3.05
2001 – 3000	451	2.26	11,39,391	2.28
3001 – 4000	127	0.64	4,52,846	0.91
4001 – 5000	127	0.64	6,11,485	1.22
5001 – 10000	166	0.83	11,86,278	2.37
10001 – 50000	107	0.53	20,55,636	4.11
50001 – 100000	12	0.06	9,06,823	1.81
100001 & above	5	0.03	3,79,26,879	75.85
Total	19,970	100.00	5,00,00,000	100.00

Shareholding Pattern as on 31<sup>st</sup> March, 2017

Category	Holders (No.)	No. of Equity Shares held	Percentage of holding
<b>PROMOTER HOLDING</b>			
Indian promoters	1	3,74,03,225	74.81
Total of promoter holding	1	3,74,03,225	74.81
<b>NON PROMOTER HOLDING</b>			
Institutional investors			
- Mutual funds	5	25,328	0.05
- Banks, financial institutions, insurance companies	8	39,391	0.08
Others			
- Private Corporate bodies	488	12,31,451	2.46
- Indian public	19,229	11,029,389	22.06
- NRIs / OCBs	239	2,71,216	0.54
- Co-op. Banks, Co-op. Societies, Trust	-	-	-
- Shares in transit	-	-	-
Total of non promoter holding	19,969	1,25,96,775	25.19
Grand total	19,970	5,00,00,000	100.00

### 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, 2017, a total of 4,86,55,230 equity shares of the Company, forming 97.31% 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, Mehdoob 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  
Munjla 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@munjalaauto.com

Financial Statements  
Mr. S.K. Sharma  
CFO  
Munjla 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@munjalaauto.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, 2014	August 08, 2014	3.30 p.m.	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat. India	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. (2) Reappointment of Mrs. Anju Munjal, WTD for further period of 5 years w.e.f. 29.09.2014. (3) For appointment of All Independent Directors for tenure of 5 years. (4) For borrowing upto Rs.200 Crore under Section 180(1)(c) of the Companies Act, 2013.
Mar 31, 2015	August 22, 2015	3.00 p.m.	- do -	Special resolutions were passed for revision of remuneration payable to Mr. Sudhir Kumar Munjal, Chairman & Managing Director, Mrs. Anju Munjal and Mr. Anuj Munjal, Whole time Directors of the Company.

Mar 31, 2016	August 27, 2016	3.00 p.m.	- do -	Special resolutions were passed for (1) Alteration of Articles of Association of the Company. (2) Approval of continuation of employment of Mr. Sudhir Kumar Munjal as Managing Director, who attain age of 70 years.
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b. Postal Ballot

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

- (1) Revision of Remuneration payable to Mr. Sudhir Kumar Munjal as a Managing Director with effect from 1<sup>st</sup> October, 2016 upto his residual tenure ending on 28<sup>th</sup> October, 2018 pursuant to Section 197 read with schedule V of the Act.
- (2) Revision of Remuneration payable to Mrs. Anju Munjal as a Whole Time Director with effect from 1<sup>st</sup> October, 2016 upto her residual tenure ending on 28<sup>th</sup> September, 2019 pursuant to Section 197 read with schedule V of the Act.
- (3) Revision of Remuneration payable to Mr. Anuj Munjal as a Whole Time Director with effect from 1<sup>st</sup> October, 2016 upto 30<sup>th</sup> September, 2019 pursuant to Section 197 read with schedule V of the Act.

Aforesaid all resolutions were approved on March 28, 2017 with assent of 99.99%, 99.99% & 99.99% 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 uploaded on online platform of Stock Exchanges within 15 minutes of closure of the Board Meeting 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 regulations of LODR.

f. Whistle Blower Policy

The Company has implemented a Vigil Mechanism (whistle Blower policy) and is posted on the Company's website i.e. [www.munjalauto.com](http://www.munjalauto.com).



To,  
The Members,  
MUNJAL AUTO INDUSTRIES LIMITED  
187, GIDC Estate, Waghodia  
Dist. Vadodara, Gujarat-391760

Ref: Secretarial Audit Report dated 21<sup>st</sup> May, 2017 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices we followed provided reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Devesh Vimal & Co.  
Practising Company Secretaries

CS Devesh A. Pathak  
Partner

FCS No. 4559  
CP No.: 2306

Date : May 22, 2017  
Place : Vadodara



## 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, 2017, 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 : May 22, 2017  
Place : Gurugram

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

TO  
THE MEMBERS  
MUNJAL AUTO INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Munjal Auto Industries Limited ("the Company") , for the year ended 31<sup>st</sup> March 2017 , as stipulated in Clause 49 of the Listing Agreement (" the Listing Agreement") of the Company with the stock exchanges and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') as applicable for the financial year ended 31<sup>st</sup> March 2017.

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 / Listing Regulations, as applicable.

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

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

Sd/-

SURENDRA MODIANI  
PARTNER  
Membership No.047966

Place : Vadodara  
Date : May 22,2017



**MUNJAL AUTO  
INDUSTRIES LIMITED**

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



## MUNJAL AUTO INDUSTRIES LIMITED

Regd. Office: 187, GIDC Industrial Estate, Waghodia 391760, Dist. Vadodara, Gujarat.

Phone : (02668) 262421-22, Fax : (02668) 262427

E-mail : cs@munjalauto.com, Website : www.munjalauto.com

CIN : L34100GJ1985PLC007958

### NOTICE

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting (AGM) of the Members of MUNJAL AUTO INDUSTRIES LIMITED will be held on Friday, the 30<sup>th</sup> June, 2017, at 3.00 p.m. at the Registered Office of the Company at 187, GIDC Industrial Estate, Waghodia – 391760, Dist: Vadodara, to transact the following business :-

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended on 31<sup>st</sup> March, 2017, together with the Reports of the Board of Directors' and the Auditors' thereon.
2. To declare a final dividend of 100% i.e. Rs. 2/- per equity share on 5,00,00,000 equity shares of Face Value of Rs. 2/- each for financial year 2016-17.
3. To appoint a Director in place of Mr. Anuj Munjal (DIN 02714266) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s. K.C. Mehta & Co., Chartered Accountants (Registration No.FRN 106237W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

#### SPECIAL BUSINESS

5. To adopt new set of Articles of Association of the Company in line with the Companies Act, 2013:

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the new set of Articles of Association of the Company, be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all the acts and deeds necessary, proper or expedient to give effect to this resolution."

6. To approve issue of Bonus shares:

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

"RESOLVED THAT pursuant to Section 63 and all other applicable provisions, if any of the Companies Act, 2013 (including any amendment or statutory reenactment thereof read with Rule 14 of the Companies (Share Capital and Debentures) Rules, Clause-I of the Articles of Association of the Company, SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as also any other applicable laws and rules/regulations framed thereunder and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall be deemed to include any Committee thereof) for capitalization of a sum not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores only) from the General Reserves or any other permitted reserves/ surplus of the Company for the purpose of issue of Bonus Shares of Rs. 2/- (Rupees Two Only) each, credited as fully paid-up to the holders of the Equity Shares of the Company whose names shall appear on the Register of Members on the 'Record Date' determined by the Board, in the proportion of 1 (One) Bonus Equity Share of Rs. 2/- each for every 1 (One) fully paid-up Equity Share of Rs. 2/- each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the paid up Capital of the Company held by each such Member and not as income."

"RESOLVED FURTHER THAT the Bonus Shares so allotted shall rank paripassu in all respects with the existing fully paid-up Equity Shares of the Company as existing on the Record Date, save and except that they shall not be entitled to any dividend that may be declared before the 'Record Date'."

"RESOLVED FURTHER THAT the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company."



"RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the Bonus Shares and in the case of Members who hold Shares or opt to receive the Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities."

"RESOLVED FURTHER THAT the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) & other foreign investors, be subject to the approval of the Reserve Bank of India, as may be necessary."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations. "

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

Place : Gurugram  
Date : May 22, 2017

Registered Office:  
187, GIDC Industrial Estate,  
Waghodia – 391 760  
Dist.: Vadodara (Gujarat)

By Order of the Board of Directors  
For Munjal Auto Industries Ltd.

Sd/-  
Rakesh Johari  
Company Secretary  
ACS 19153

#### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of item No. 5 & 6 of the notice is annexed hereto.
2. ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE LODGED WITH THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy, provided that such person shall not act as a proxy for any other person or shareholder.
3. Members / proxies should bring duly filled attendance slips sent herewith to attend the meeting.
4. The Register of Directors' and Key Managerial Person, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
5. The Register of Members and Share Transfer Books will remain closed from Monday, 26<sup>th</sup> June, 2017 to Friday, 30<sup>th</sup> June, 2017 (both days inclusive) for the purpose of 32<sup>nd</sup> Annual General Meeting and determining entitlement of the members to the final dividend (if declared at the AGM).
6. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details if any, to their respective Depository Participants.
7. Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agent, M/s. MCS Share and Transfer Agent Limited, 10, Aram Apartment, 12, Sampatrao Colony, B/h Laxmi Hall, Alkapuri, Vadodara - 390 007 (Gujarat), Tel.: +91 265 2314757/ 2350490, Fax: +91 265 2341639, E-mail: mcsLtdbaroda@yahoo.com;mcsLtdbaroda@gmail.com.
8. Members, who desire to seek any information pertaining to Annual accounts and operations of the Company are requested to address their questions / queries to the Secretary of the Company so as to reach at least seven days before the date of the Annual General Meeting to enable the Company to make the information sought available to the best extent possible.
9. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer

to the Company's Unpaid Dividend Account, will, as per Section 124 and other provisions applicable, if any, of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund. Members are encouraged to utilize the electronic clearing system (ECS) for receiving dividends.

10. Dividend for the financial year ended 31<sup>st</sup> March, 2010, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') this year, pursuant to Section 124 of the Companies Act, 2013. The Company is in process of transfer of dividend declared for the financial year 2009-10 to IEPF.
11. Information in respect of unclaimed dividend pertaining to the subsequent financial years when due for transfer to the said Fund is given below:

Financial Year ended	Date of Declaration of Dividend	Last Date upto which claim can be lodged for unpaid Dividend
31.03.2010	25.09.2010	24.09.2017
31.03.2011	24.09.2011	23.09.2018
31.03.2012	22.09.2012	21.09.2019
31.03.2013	10.08.2013	09.08.2020
31.03.2014	08.08.2014	07.08.2021
31.03.2015	22.08.2015	21.08.2022
31.03.2016	11.03.2016	10.03.2023

12. E-Voting:

Pursuant to Section 108 of the Companies Act, 2013 read with the relevant Rules of the Act, the Company is pleased to provide E-voting facility through Central Depository Services Limited as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 32<sup>nd</sup> Annual General Meeting of the Company dated May 22, 2017 (the AGM Notice). The Company has appointed Mr. Devesh A. Pathak, Practicing Company Secretary or failing him Mr. Vimal Betai, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on Saturday, June 24, 2017. The e-voting will commence at 9.00 AM on Tuesday, 27<sup>th</sup> June, 2017 and will end at 5.00 PM on Thursday, 29<sup>th</sup> June, 2017. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

13. Details of Director seeking re-appointment at the Annual General Meeting of the Company to be held on 30<sup>th</sup> June, 2017 are provided in Annexure A of this Notice.
14. The Annual Report 2016-17, the Notice of the 32<sup>nd</sup> AGM and instructions for e-voting along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.
15. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Register and Share Transfer Agents.

## PROCEDURE FOR E- VOTING

- A. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, 27<sup>th</sup> June, 2017 (9.00 am IST) and ends on Thursday, 29<sup>th</sup> June, 2017 (5.00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, June 24, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" tab.



- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image verification as displayed and click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number print in address slip.
Dividend Bank Details or Date of Birth (DOB)	Enter the Date of Birth as registered with the DP/RTA in dd/mm/yyyy format or Enter the Dividend Bank Details as recorded with your DP/RTA. Please note - In respect of Physical shareholding and whose DOB and dividend bank details are not registered with DP/RTA should enter number of shares held by you as on the cut-off date i.e. 24 <sup>th</sup> June, 2017.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Munjal Auto Industries Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- B. In case of members receiving the physical copy:
- (A) Please follow all steps from serial number (i) to serial number (xvii) above to cast vote.
  - (B) The voting period begins on 27<sup>th</sup> June, 2017, 9.00 a.m. and ends on 29<sup>th</sup> June, 2017, 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 24<sup>th</sup> June, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- C. Other Instructions:
- i. The e-voting period commences on Tuesday, 27<sup>th</sup> June, 2017 (9.00 am IST) and ends on Thursday, 29<sup>th</sup> June, 2017 (5.00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 24<sup>th</sup> June, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
  - ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 24<sup>th</sup> June, 2017.
  - iii. Mr. Devesh A Pathak, Practicing Company Secretary (Membership No. FCS 4559), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
  - iv. The Scrutinizer shall, within a period not exceeding two working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Devesh A Pathak, Practicing Company Secretary, (Membership No. FCS 4559), at the Registered Office of the Company not later than Thursday, June 29, 2017 (5.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [cs@munjalauto.com](mailto:cs@munjalauto.com) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Thursday, June 29, 2017 (5.00 p.m. IST).  
Ballot Form received after this date will be treated as invalid.  
A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
  - vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.munjalauto.com](http://www.munjalauto.com) and on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) within two days of the passing of the resolutions at the 32<sup>nd</sup> AGM of the Company on June 30, 2017 and communicated to the BSE Limited and NSE Limited, where the shares of the Company are listed.

Explanatory statement under Section 102 of the Companies Act, 2013.

Item No. 5

Most of the provisions of the Companies Act, 2013 ('the Act') are now in force. The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956. Not only several regulations in the existing AoA contain references to the specific Sections of the Companies Act, 1956, but some regulations in the existing AoA are no longer in conformity with the Act. Hence the existing set of AoA of the Company requires alteration or deletions. It is therefore considered expedient to replace the existing set of AoA with an entirely new set of AoA to align the AoA of the Company with the provisions of the Act. The proposed new draft AoA is being uploaded on the Company's website [www.munjalauto.com](http://www.munjalauto.com) for information of the shareholders and also kept available for inspection during 10 a.m. to 12 noon on all working days up to the date of the meeting.





Your Directors recommend and seek your approval to the resolution as set out in item no. 5 of the accompanying notice by way of Special Resolution.

None of the Directors / Key Managerial Personnel or their relatives shall be deemed to be concerned or interested in the resolution.

Item No. 6

The Equity Shares of your Company are listed and actively traded on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). In order to provide liquidity to the equity shareholders of the Company by increasing the available number of equity shares in the market as also to reward them by allotting bonus shares to them, your Directors' at their meeting held on 22<sup>nd</sup> May, 2017 have recommended issue of 1 (One) Bonus Equity Share of Rs. 2/- each for every 1 (One) fully paid up equity shares of Rs. 2/- each held.

On being approved, the Bonus shares are proposed to be allotted from free reserves/ surplus of the Company by capitalization of a sum not exceeding Rs. 10,00,00,000 (Rupees Ten Crores only). By allotment of 5,00,00,000 Bonus Equity shares of Rs. 2/- each, the paid up equity share capital of the Company would stand increased from Rs. 10,00,00,000 to Rs. 20,00,00,000.

These fully paid up bonus shares will be distributed to those members whose name shall appear on its register of members or in the respective beneficiary account or with their respective Depository Participants, on the Record Date to be determined by the Board of Directors of your Company for the purpose of issue of Bonus shares in proportion of one Bonus Equity share for every one existing equity share held by them respectively on the Record Date.

The bonus shares so allotted shall rank paripassu in all respects with the existing equity shares of the Company except that they shall not be entitled to any Dividend or Bonus Shares that may be declared before the record date.

The proposal for issuance of Bonus Shares is beneficial to the members of the Company as well as to the Company.

Clause-I of the Articles of Association permits the Company to issue Bonus shares inter alia on being approved by the members.

Hence your Directors seek your approval to the resolution as set out in item no. 6 of the accompanying notice by way of Ordinary Resolution.

None of the Directors / Key Managerial Personnel or their relatives shall be deemed to be concerned or interested in the resolution except to the extent of their shareholding if any.

Annexure A

Details of the Director seeking Re-appointment in the forthcoming Annual General Meeting (In pursuance of Regulation 36 of SEBI (LODR) Regulation, 2015)

Mr. Anuj Munjal is MBA in Finance and Marketing from North Eastern University, Boston (USA). He has more than 18 years of experience in the field of Marketing, Finance, Administration, IT, Purchase, Operations etc. Prior to joining Munjal Auto Industries Limited, Mr. Anuj Munjal was Chief executive of Hero Cycles Limited (CR division).

Under his young entrepreneurship and supervision approach, Munjal Auto has set up three plants at Bawal, Haridwar and Dharuhera where he has contributed his planning skills into timely and systematic completion.

Presently, he is on the Board of the following companies and committees thereof:-

S. No	Name of Companies in which Directorship / Chairmanship held as on March 31, 2017	Position held	Committee Membership/ Chairmanship in other Companies
1	Munjal Auto Industries Limited	Whole Time Director	(1) Stakeholder Relationship Committee - Member
2	Thakur Devi Investments Private Limited	Director	None
3	Sara Investment Services Private Limited	Director	None

Place : Gurugram  
Date : May 22, 2017

Registered Office:  
187, GIDC Industrial Estate,  
Waghodia – 391 760  
Dist.: Vadodara (Gujarat)

By Order of the Board of Directors  
For Munjal Auto Industries Ltd.

Sd/-  
Rakesh Johari  
Company Secretary  
ACS 19153



## MUNJAL AUTO INDUSTRIES LIMITED

**Regd. Office:** 187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat.

**Phone -** (02668) 262421-22, **Fax -** (02668)262427

**E-mail :** [cs@munjalauto.com](mailto:cs@munjalauto.com) **Website :** [www.munjalauto.com](http://www.munjalauto.com)

**CIN: L34100GJ1985PLC007958**

### ATTENDANCE SLIP

Folio No. : \_\_\_\_\_

No. of Share(s) held : \_\_\_\_\_

DP ID\*

Client ID\*

Name(s) in full

Father/Husband's Name

Address as registered With the Company

- |    |       |       |       |
|----|-------|-------|-------|
| 1. | _____ | _____ | _____ |
| 2. | _____ | _____ | _____ |
| 3. | _____ | _____ | _____ |

I/We hereby record my/our presence at the 32<sup>nd</sup> Annual General Meeting of the Company being held at Registered Office of the Company at 187, GIDC Estate, Waghodia – 391 760, Dist. Vadodara (Gujarat) on Friday, the 30<sup>th</sup> June, 2017 at 3.00 p.m.

Signature of the Member(s)/Proxy

- |    |       |
|----|-------|
| 1. | _____ |
| 2. | _____ |
| 3. | _____ |

\* Applicable for members holding share(s) in electronic form.

#### Notes :

1. A member/proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance of meeting hall.
2. A member intending to appoint a proxy should complete the Proxy Form printed below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

FORM NO. MGT-11  
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]  
CIN:L34100GJ1985PLC007958

Name of the Company: Munjal Auto Industries Limited

Registered office: 187, GIDC Industrial Estate, Waghodia, Vadodara - 391760

Date & Time : Friday, June 30,2017 at 3.00 PM

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id: DP ID:

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint

1. Name: .....  
Address: .....  
E-mail Id: .....  
Signature: ....., or failing him
2. Name: .....  
Address: .....  
E-mail Id: .....  
Signature: ....., or failing him
3. Name: .....  
Address: .....  
E-mail Id: .....  
Signature: .....

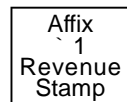
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Friday, the 30<sup>th</sup> June, 2017 at 3.00 p.m. at Registered office of the Company at 187, GIDC Industrial Estate, Waghodia, Vadodara – 391760 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statement for the year ended on 31 <sup>st</sup> March, 2017, together with the Reports of the Board of Directors' and the Auditors' thereon.		
2.	To declare a final dividend of 100% i.e. Rs.2/- per equity share on 5,00,00,000 equity shares of Face Value of Rs.2/- each for financial year 2016-17.		
3.	To appoint a Director in place of Mr. Anuj Munjal (DIN 02714266) who retires by rotation, and being eligible, offers himself for re-appointment.		
4.	To appoint M/s. K.C. Mehta & Co., Chartered Accountants (Registration No.FRN 106237W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.		
	Special Business		
5.	To adopt new set of Articles of Association of the Company in line with the Companies Act, 2013. (Special Resolution)		
6.	To approve issue of Bonus shares in proportion of 1(One) Equity Shares of Rs.2/- each for every 1 (One) fully paid up Equity Shares of Rs.2/- each. (Ordinary Resolution)		

Signed this..... day of....., 2017

Signature of Shareholder .....

Signature of Proxy holder(s) .....



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Guide Map from Vadodara (Railway Station) to Munjal Auto Industries Limited (via Pipaliya)

