



MUNJIAL AUTO

INDUSTRIES LIMITED

Waghodia Plant

REF/SECY/2018

Date: August 27, 2018

To,
Listing Department
Asst. Vice President
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex
Bandra (E), MUMBAI – 400051
Scrip Code: MUNJALAU

To,
The Secretary
BSE Limited
25th Floor
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI - 400 001
Scrip Code: 520059

Subject: Compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations']

Dear Sirs,

In accordance with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013 and rules framed thereunder, please find enclosed herewith Annual Report 2017-18 duly approved and adopted by the members at the 33rd Annual General Meeting held on Saturday, 25th August, 2018 at the Registered Office of the Company.

The Annual Report 2017-18 is uploaded on the website of the Company.

This is for your information and further dissemination.

Thanking You,

Yours faithfully

For MUNJIAL AUTO INDUSTRIES LIMITED

RAKESH JOHARI
COMPANY SECRETARY
ACS 19153

MUNJAL AUTO

33rd Annual Report & Accounts 2017-18



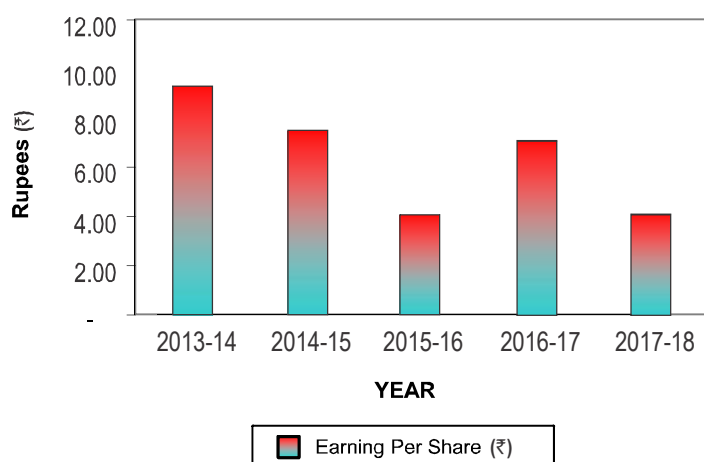
Munjal Auto Industries Limited

FINANCIAL STATISTICS FIVE YEARS' TRACK RECORD

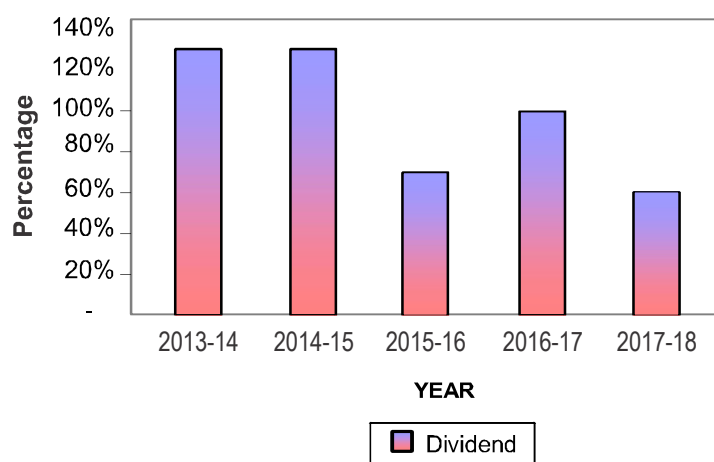
(₹ In Lacs)

	2013-14	2014-15	2015-16	2016-17	2017-18
Equity Share Capital	1,000	1,000	1,000	1,000	2,000
Reserves & Surplus	17,634	19,694	20,869	24,287	26,265
Deferred Tax Liability / (Assets)	657	779	-	-	-
Secured Loans	7,697	7,824	6,215	4,353	2,868
Total External Liability	12,937	12,548	12,382	13,182	17,035
Total Assets	39,925	41,845	40,465	42,822	48,168
Sales	89,192	97,278	97,163	93,536	106,087
YoY Growth	13.44%	9.07%	-0.12%	-3.73%	13.42%
Profit Before Depreciation, Interest & Tax (PBDIT)	6,785	7,276	4,931	6,679	7,692
Interest	601	863	794	550	433
Depreciation	1,245	1,483	1,666	1,720	1,819
Profit Before Tax	4,939	4,929	2,471	4,409	5,441
Profit After Tax	4,766	3,803	2,008	3,455	4,159
Earning Per Share (₹)	9.53	7.61	4.02	6.92	4.16
Dividend	125%	125%	70%	100%	60%

EARNING PER SHARE



DIVIDEND



EPS and Dividend figures of FY 2017-18 are based on 10 Crore Equity Shares i.e. After issue of Bonus Shares in ratio of 1:1 on July 13, 2017.

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

K C Mehta & Co.

Chartered Accountants

Meghdhanush, 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, Haryana

CORPORATE OFFICEUnitech Business Zone, 2nd Floor,

Tower C, Nirvana Country, South City-2,

Sector-50, Gurugram – 122018

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BOARD'S REPORT

Dear Members,

Your Directors are pleased to present 33rd Annual Report together with the audited financial statements for the financial year ended March 31, 2018.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2018 is summarized below: -

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	106,087.07	935,35.88
Profit before Finance Cost & Depreciation	76,92.46	66,79.28
Depreciation	(18,18.70)	(17,19.62)
Finance Cost	(4,32.73)	(5,50.42)
Profit before Taxation	54,41.03	44,09.24
Provision for Taxation (Deferred & Current)	(12,82.00)	(9,53.88)
Profit after Taxation	41,59.03	34,55.36
Surplus brought Forward	242,86.77	208,69.88
Surplus carried to Balance Sheet	262,64.96	242,86.77

DIVIDEND

Your Directors have pleasure to recommend a dividend of 60% i.e. ₹ 1.20/- on equity share of ₹ 2/- each for the financial year ended March 31, 2018. The dividend, if approved by the members in the ensuing Annual General Meeting, would absorb ₹ 1,200 lacs (₹ 1,000 lacs for Final Dividend for FY 16-17) out of the distributable profits available.

PERFORMANCE

During FY 2017-18, total income of the Company was ₹ 1,061 Crore as compared to ₹ 935 Crore in FY 2016-17, registering an increase of 13.48%.

Profit before tax and profit after tax were ₹ 54.41 Crores and ₹ 41.59 Crores respectively during the year as against ₹ 44.09 Crores and ₹ 34.55 Crores respectively in the previous year.

CAPACITY UTILIZATION & PLANT OPERATIONS

All four units of the Company located 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.

INCREASE IN SHARE CAPITAL CONSEQUENT TO ISSUE OF BONUS SHARE

In pursuit of approval granted by the members of the Company at their 32nd Annual General Meeting held on June 30, 2017, Committee of Board of Directors at their meeting held on July 13, 2017 had allotted one Bonus Equity Share of ₹ 2/- each fully paid up for every one Equity Share of ₹ 2/- each fully paid up as on the record date July 12, 2017 aggregating to 5,00,00,000 Equity Shares of ₹ 10,00,00,000 to the members of the Company. Accordingly, the paid up capital increased from ₹ 10,00,00,000 to ₹ 20,00,00,000 on July 13, 2017.

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. Sudhir Kumar Munjal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Your Board recommends reappointment of Mr. Sudhir Kumar Munjal, as Director as well as the Managing Director for the period of five years at the ensuing 33rd Annual General Meeting in terms of Section 152, 196, 197 and other applicable provisions, if any of the Act. He, in the opinion of the Nomination and Remuneration Committee and the Board, fulfills the conditions for reappointment specified in the Act and rules made there under.

It is also proposed to seek approval of the members by way of Special Resolution at their ensuing 33rd Annual General Meeting to the reappointment of and remuneration payable to Mr. Sudhir Kumar Munjal as a Managing Director of the Company for the period of 5 years from October 29, 2018 to October 28, 2023.

Brief resume and other details of Mr. Sudhir Kumar Munjal, who is proposed to be re-appointed as a Director of your Company, have been furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

BOARD EVALUATION

Pursuant to the applicable provisions of the Act and Regulation 17 (10) and other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), 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 and individual Directors was found 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 adheres 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.

TRANSFER TO GENERAL RESERVE

During the FY under review, no amount has been transferred to General Reserve of the Company.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the FY under review, your Company has transferred unpaid/unclaimed dividend amounting to ₹ 6.59 Lacs for FY 2009-10 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

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 amount required to be spent on CSR activities during the year under report in accordance with the provisions of Section 135 of the

Act was ₹ 76.54 lacs and the Company has spent ₹ 70.00 lacs during the current financial year.

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 to the extent of ₹ 70 lacs and could not spend ₹ 6.54 lacs out of ₹ 76.54 lacs to be spent towards CSR expenditure.

The requisite details (in a matrix form) on CSR activities pursuant to Section 135 of the Act read with Companies (CSR Policy) Rules, 2014 are annexed as **Annexure A** to this Report.

POLICY RELATING TO ANTI SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has placed 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 framed 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 and accordingly the Company has no information to report on filing and disposal of the cases pursuant to Section 22 of the said Act.

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 as amended from time to time.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES AND 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 financial year ended March 31, 2018, 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 as at March 31, 2018 and of the profit and loss of the Company for the financial year ended March 31, 2018 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 for the financial year ended March 31, 2018 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 under Section 188 of Companies Act, 2013.

Further, during FY 2017-18, there were no materially significant related party transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which might have potential conflict with the interest of the Company at large.

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. The Company will make relevant disclosure during the year in case of change in the current status, if any.

Subsequent to the end of Balance sheet date as at March 31, 2018, the Company has acquired 55% shareholding of Indutch composites Technology Pvt. Ltd. of face value of ₹ 10/- each for a consideration of ₹ 5.20 Cr. By virtue of this investment, Indutch Composites Technology Pvt Ltd has become a subsidiary of the Company.

AUDIT COMMITTEE RECOMMENDATIONS

During the year, The Board has accepted all recommendations of Audit Committee and accordingly no disclosure is required to be made in respect of 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 to cover public liability/ties, if any, arising out of any industrial accidents. We have also covered, the Directors' and Officers' liability under the Companies 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 05, 2017. The aforesaid rating are valid till June 30, 2018.

AUDITORS

(i) Statutory Auditors

The auditors, K.C. Mehta & Co., Chartered Accountants, retire at the conclusion of ensuing Annual General Meeting. They have furnished their consent and requisite certificate pursuant to the Act and rules mentioned there under in respect of their proposed reappointment pursuant to Section 139 of the Act for upcoming financial year 2018-19 & onwards.

(ii) 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 2018-19 by the Board of Directors, upon recommendation of the Audit Committee.

(iii) Secretarial Auditors

Pursuant to provisions of Section 204 of the Act, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s Devesh

Vimal & Co., Company Secretaries in practice to undertake the Secretarial Audit of the Company for FY 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2018 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 and also to approve 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 and Regulation 20 of LODR. The Committee looks after the stakeholder's grievances and redress of investor's 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 Statutory 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 annexed to this report as **Annexure B**.

CODE OF CONDUCT

The Company has laid down a comprehensive Code of Conduct ('Code') for the Board and senior management personnel of the Company.

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2017-18.

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 dealing with stakeholders.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading pursuant to SEBI (Prohibition & Insider Trading) Regulation, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the code. All Directors and the designated employees have confirmed compliance with the code.

BOARD MEETINGS

Five meetings of the Board of Directors were held during the financial year 2017-18. 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 B** i.e. Extract of Annual Return Form No. MGT- 9. There was no employee of the Company except Executive Directors, employed through out the year, who was in receipt of the remuneration exceeding ₹ 1.02 Crore 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 all of its units.

ENVIRONMENT, HEALTH, SAFETY AND SOCIAL RESPONSIBILITY

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

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

Your Company has been certified for Occupation, Health and Safety (OHSAS) 18001:2007 from Bureau Veritas during FY 2016-17, which is valid for upto 01st May, 2019.

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 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 framed 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 MARCH 31, 2018 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 March 31, 2018 to the date of the Report.

STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

In terms of clause no. 9 of revised SS-1 (Revised Secretarial Standards on Meetings of Board of Directors effective from 01.10.2017), your Directors state that the Company has been compliant to applicable Secretarial Standards during the year under review.

ACKNOWLEDGEMENTS

The Board of Directors express their sincere thanks to 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 of Directors
Munjal Auto Industries Limited

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080

Date : May 28, 2018
Place : Waghodia, Vadodara

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 undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the web link <http://www.munjalauto.com/pdf/CSR%20Policy..pdf>. 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. 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: ₹ 38.27 Crore
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 76.54 Lacs
5. Details of CSR spent during the financial year:
 - a) Total amount to be spent for the financial year: ₹ 76.54 Lacs
 - b) Amount spent: ₹ 70.00 Lacs
 - c) Amount unspent: ₹ 6.54 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 (₹)	Amount spent on the projects or programs sub-heads (1) Direct Expenditure on projects or programmes (2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency*
1	Promoting education for impaired/disabled	Education and employment	Vadodara, Gujarat	2,00,000	2,00,000	2,00,000	Agency: Akshar Trust Vadodara, Gujarat
2	Old age home to look after homeless - abandoned senior citizens	Health Care	New Delhi	5,00,000	5,00,000	5,00,000	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	Sabar Kaantha, Gujarat	39,00,000	39,00,000	39,00,000	Agency :Vaanprastha Saadhak Aashram, Sabar Kaantha, Gujarat
5	Promoting education to orphans	Education	Kutch Gandhidham, Gujarat	7,00,000	7,00,000	7,00,000	Agency: Arya Samaj Gandhi Dham, Kutch, Gandhidham, Gujarat
6	Assistance to be paid in case of accidents taking place in or outside State & related matters	Chief Minister of Gujarat Relief Fund	India	5,00,000	5,00,000	5,00,000	Agency: Revenue Department, Government of India.
	Total			70,00,000	70,00,000	70,00,000	



6. 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 to the extent of ₹ 70 lacs and could not spend ₹ 6.54 lacs out of ₹ 76.54 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 : Waghodia, Vadodara

Date : May 28, 2018

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 31.03.2018

[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, 1 st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, Vadodara- 390 007 Tel.: (0265) 2314757; Fax: (0265) 2341639 E-mail: mcsltbaroda@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	Manufacture of Diverse Parts And Accessories For Motor Vehicles	29301	93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% 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	7,48,06,450	-	7,48,06,450	74.81	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	3,74,03,225	-	3,74,03,225	74.81	7,48,06,450	-	7,48,06,450	74.81	0.00



Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% 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 shareholding of Promoter (A)=(A)(1)+(A)(2)	3,74,03,225	-	3,74,03,225	74.81	7,48,06,450	-	7,48,06,450	74.81	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	24,828	500	25,328	0.05	51,511	1,000	52,511	0.05	-
b) Banks/FI	14,436	24,955	39,391	0.08	20,155	48,910	69,065	0.07	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	29,783	-	29,783	0.03	0.03
g) FIs / FPIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	39,264	25,455	64,719	0.13	1,01,449	49,910	1,51,359	0.15	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	12,01,951	29,500	12,31,451	2.46	23,88,932	50,000	24,38,932	2.44	-0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	80,42,760	12,62,815	93,05,575	18.61	1,57,14,992	18,37,762	1,75,52,754	17.55	-1.06
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11,19,627	-	11,19,627	2.24	26,11,641	-	26,11,641	2.61	0.37
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	2,44,216	27,000	2,71,216	0.54	6,50,397	13,500	6,63,897	0.66	0.12
HUF	6,01,787	-	6,01,787	1.20	11,44,497	-	11,44,497	1.14	-0.06
Trust	2,400	-	2,400	0.005	7,900	-	7,900	0.01	0.005
IEPFA	-	-	-	-	6,22,570	-	6,22,570	0.62	0.62
Sub-Total (B)(2):-	1,12,12,741	13,19,315	1,25,32,056	25.06	2,31,40,929	19,01,262	2,50,42,191	25.04	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,12,52,005	13,44,770	1,25,96,775	25.19	2,32,42,378	19,51,172	2,51,93,550	25.19	-
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,86,55,230	13,44,770	5,00,00,000	100	9,80,48,828	19,51,172	10,00,00,000	100	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Share holding at the end of the year (As on 31.03.2018)			% 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	7,48,06,450	74.81%	NIL	NIL
	Total	3,74,03,225	74.81%	NIL	7,48,06,450	74.81%	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is 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	Increase in holding of Promoters by issue of Bonus Shares as on July 13, 2017	NIL	Nil	3,74,03,225	Nil
3	At the End of the year	3,74,03,225	74.81%	7,48,06,450	74.81%

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

S.No.	Name	31.03.2018		31.03.2017	
		Shares	%	Shares	%
1	Investor Education and Protection Fund Authority	622,570	0.62	-	-
2	Jayakumar C	401,120	0.40	2,04,825	0.40
3	Anita Rawat	240,000	0.24	1,20,000	0.24
4	V Srinivasa Rangan	214,000	0.21	-	-
5	Kiran Suzanne Coelho	200,000	0.20	1,00,000	0.20
6	Lincoln P Coelho	200,000	0.20	1,00,000	0.20
7	Crochet Trade & Investment Private Ltd.	186,000	0.19	93,000	0.19
8	Sunil Kumar Gupta	166,000	0.17	83,000	0.17
9	D Srimathi	164,924	0.16	82,462	0.16
10	Prabhudas Lilladhar Financial Services Pvt. Ltd.	150,329	0.15	-	-
	TOTAL	25,44,943	2.54	7,83,287	1.57

Note: The shares of the Company are traded frequently and hence date wise increase/ decrease in shareholding is not provided.



(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	Mrs. Anju Munjal, WTD	311	0.0006	311	0.0006
2	Mr. Naresh Kumar Chawla, Director	250	0.0005	250	0.0005
	Increase in holding of Directors and Key Managerial Personnel by issue of Bonus Shares as on July 13, 2017:				
1	Mrs. Anju Munjal, WTD	311	0.0006	311	0.0006
2	Mr. Naresh Kumar Chawla, Director	250	0.0005	250	0.0005
	At the End of the year				
1	Mrs. Anju Munjal, WTD	622	0.0006	622	0.0006
2	Mr. Naresh Kumar Chawla, Director	500	0.0005	500	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 (01.04.2017)				
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
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	15,79,96,929	-	-	15,79,96,929
Net Change	15,79,96,929	-	-	15,79,96,929
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	28,76,53,915	-	-	28,76,53,915
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24,96,238	-	-	24,96,238
Total (i+ii+iii)	29,01,50,153	-	-	29,01,50,153

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ In Lacs)

S. No.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Mr. Sudhir Kumar Munjal - CMD	Mrs. Anju Munjal -WTD	Mr. Anuj Munjal - WTD	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	238.28	168.80	207.97	615.05
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.72	41.20	2.03	44.95
	(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	14.40	12.60	12.60	39.60
	b) Company's contribution to Superannuation scheme	12.00	10.50	10.50	33.00
	c) Gratuity	5.77	5.05	5.05	15.87
	Total (A)	272.17	238.15	238.15	748.47
	Ceiling as per the Act				748.47

B. Remuneration to other Directors

(₹ In Lacs)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Vikram Shah	Mr. Naresh Kumar Chawla	Mr. Mahendra Sanghvi	Mr. Ramkisan Devidayal	Mr. Sudesh Kumar Duggal	Mr. Jal Ratanshaw Patel	
	Independent Directors							
	• Fee for attending Board/ Board committee meetings	4.72	3.40	3.60	3.80	2.20	1.40	19.12
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	4.72	3.40	3.60	3.80	2.20	1.40	19.12
4.	Other Non-Executive Directors							
	• Fee for attending board committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	4.72	3.40	3.60	3.80	2.20	1.40	19.12
	Total Managerial Remuneration	4.72	3.40	3.60	3.80	2.20	1.40	19.12
	Overall Ceiling as per the Act							19.12



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

(₹ 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	-	17.36	44.91	62.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
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	-	0.86	2.36	3.22
	b) Company's contribution to Superannuation Fund	-	0.71	1.96	2.67
	c) Gratuity	-	0.35	0.95	1.30
	Total	-	19.28	50.18	69.46

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 of Directors

Date : May 28, 2018
Place : Waghodia, Vadodara

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	Executive Directors				
		CMD	WTD	WTD		
		101	88	88		
		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	Executive Directors			KMPs	
		CMD 29.90%	WTD 24.79%	WTD 25.66%	CFO 10.09%	CS 12.09%
iii.	The % increase in the median remuneration of employees in the financial year	9.53%				
iv.	The number of permanent employees on the rolls of Company	1168				
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			2017-18	2016-17	
		Market Capitalization		₹ 713.00 Cr.	₹ 504.00 Cr.	
		PE Ratio		17.14	15.87	
		Last Public Offer		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		2017-18	Justification/ Remarks	
		Salaries of Employees		15.15%		
		Managerial Remuneration		26.88%		
ix.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Particulars		% of Net Sales for F.Y 2017-18		
		CMD		0.26%		
		WTD		0.23%		
		WTD		0.23%		
		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 31ST MARCH, 2018

[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 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 31st March, 2018, 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 31st March, 2018 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, 2015;
 - (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 Trans-boundary 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. including The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('LODR').

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 issued Bonus shares of ₹ 2/- each fully paid up for every one Equity Share of ₹ 2/- each fully paid up as on the record date July 12, 2017 aggregating to 5,00,00,000 Equity Shares of ₹ 10,00,00,000 to the members of the Company pursuant to the approval granted by the members of the company at their 32nd Annual General Meeting during the period under review.
- (b) The Company has not issued any Debt bearing securities during the period under review and accordingly
The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2009 were not applicable.
- (c) The Company has not issued any stock options to the employees and accordingly. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 were not applicable.
- (d) 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.
- (e) 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.

For Devesh Vimal & Co.
Practising Company Secretaries

Date : May 25, 2018
Place : Vadodara

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



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

ECONOMY OUTLOOK

Although the global economy is more vulnerable to shocks, the underlying fundamentals are strong enough to maintain a healthy growth rate for 2018-19. Global growth accelerated markedly in 2017 to 3%, its fastest rate since 2011, and it is expected to remain same in 2018-19. The global economy will continue to follow the trends in the world's two largest economies, China and the US. It is expected that the Chinese economy will start to slow at a steady rate. The global economy will remain healthy; although vulnerable to shocks, geopolitical risks and hence greater volatility.

INDIAN ECONOMY

IN FY 18, it is worth taking a look at India's economic performance over what has been quite an interesting period. While the first quarter of the year saw the impact of demonetisation settling down, in the next quarter, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This did not take long, and from the third quarter onwards, signs of growth returning were evident.

In the coming financial year, India is expected to grow at 7.3% during 2018 - 19. The International Monetary Fund (IMF) has trimmed India's growth projection by 0.1 percentage point for the year owing to high oil prices and a tight monetary policy regime. Even then, the economy would be the fastest-growing one among large nations in 2018-19 and 2019-20. India's economy grew at a four-year-low of 6.7 per cent in 2017-18.

INDIAN AUTOMOTIVE INDUSTRY

As per ICRA, The Indian Automotive Industry reported impressive performance in FY2018 despite witnessing some volatility during GST implementation. While demonetization impact in H2 FY2017 led to a low base, the overall domestic industry witnessed sales growth of 14.2% in FY2018 over the previous year buoyed by 6.6% GDP growth (7.1% in FY2017 as per Central Statistical Organisation), soft interest rate and improved financing avenues, resurgence of rural demand and continued infrastructure and economic reform push from the government. All the segments of the automotive industry witnessed above 15% growth rate in FY2018 over the corresponding year, barring passenger vehicles (7.9% growth). On the export front, the sales volumes increased by 17% in FY2018 to 40.4 lakh units (34.8 lakh units in FY2017). The growth was led by the two-wheeler and three-wheelers segments, which witnessed 20.3% and 40.1% volume expansion respectively, was driven by revival in demand from key African markets although on a contracted base of previous two fiscals. In contrast the export volumes

for passenger vehicle and commercial vehicles declined by 1.5% and 10.5%, respectively, due to strategic decisions taken by a few international OEMs.

The two-wheeler industry, which is, at present, the major operative segment for Munjal Auto Industries Limited (MAIL), witnessed a 14.8% growth in the domestic market and crossed the historic two-crore unit sale milestone during FY2018 (1.76 crore units in FY2017). Backed by expanding urban consumption, new product launches and increased in rural penetration, the scooter segment led the segment growth with a 19.9% growth and increased its market share to 33% (32% in FY2017) of the total two-wheeler industry. The motorcycles segment also witnessed a strong performance in FY2018 with double-digit growth of 13.7%, a first since FY2012. This was backed by improved rural sentiments following two favourable crop cycles, easy finance availability and supportive government policies. As per ICRA, the outlook for the sector is largely positive although rising fuel prices and interest rates will be a key challenge that may moderate domestic demand across segments. It is estimated that the domestic two-wheeler segment to grow by 8-10% in FY2019.

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. In spite of demonetization, GST effects, pricing pressures, 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 favourable for overall industry growth.

Your Company is also looking to expand in Research and Development. We have also received recognition as R & D centre duly recognised by DSIR. The Company is also diversifying its wings towards renewable energy sector. The Company has recently bought majority stake in a private limited company which is engaged in manufacturing of wind mill blades, Composite products etc. 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 of Directors
Munjal Auto Industries Limited

Date : May 28, 2018
Place : Waghodia, Vadodara

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

	(₹ in Lacs)	
	2017-18	2016-17
(a) Total Foreign Exchange Earnings	162.10	548.53
(b) Total Foreign Exchange Outgo	45.47	104.69



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.

For and on behalf of the Board of Directors
For Munjal Auto Industries Limited

Place : Waghodia, Vadodara
Date : May 28,2018

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080



INDEPENDENT AUDITOR'S REPORT

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

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of Munjal Auto Industries Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information ("Ind AS financial statements").

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in

accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 22nd May, 2017 and 30th May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matter.

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 Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act;
 - e. on the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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; and
 - 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 Ind AS financial statements – **Refer Note 38** to the Ind AS financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Vishal P. Doshi
Partner
Membership No.101533

Place : Waghodia, Vadodara
Date : 28th May, 2018

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of **Munjel Auto Industries Limited**)

- i. (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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 of the Company are held in the name of the Company.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed during the physical verification.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, reporting under clause (iii) of the Order is not applicable to the Company.
- 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 of the Companies Act, 2013 and therefore, reporting under clause (iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, reporting under clause (v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and rules 3 of the Companies (Cost Records and Audit) Amendment Rules, 2014 for any of the products of the Company and therefore, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of excise, Value Added Tax, Cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at 31st March, 2018 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no disputed dues in respect of Income Tax, Goods and Service Tax, Service tax and Duty of Customs. According to the information and explanations given to us, the followings are the particulars of Sales Tax and Duty of Excise as at 31st March, 2018 which have not been deposited on account of dispute:

Name of the statute	Nature of disputed dues	Amount in ₹	Period to which the amount relates	Forum where pending
The Gujarat Sales Act, 1969	Sales Tax	25,49,704	Financial Year 2002-2003	Commissioner of Commercial Tax Tax (Appeals)
The Central Excise Act, 1944	Duty of Excise	58,76,332	June, 2008- March, 2009	Commissioner of Customs, Excise and Service Tax (Appeals)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank. The Company does not have any loans or borrowings from any financial institution, government or by way of debentures.

- ix. In our opinion and according to the information and explanations given to us, the Company has neither raised any term loans or by way of initial public offer or further public offer (including debt instrument) during the year nor was any unutilized amount left on this account, as at the beginning of the year, and therefore, reporting under clause (ix) of the Order is not applicable to the Company.
- x. In our opinion and according to information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties and the details have been disclosed in the Ind AS financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is 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 K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Vishal P. Doshi
Partner
Membership No.101533

Place : Waghodia, Vadodara
Date : 28th May, 2018



ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of **Munjel Auto Industries Limited**)

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 **Munjel Auto Industries Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS 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 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 31st March, 2018, 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 K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Vishal P. Doshi
Partner
Membership No.101533

Place : Waghodia, Vadodara
Date : 28th May, 2018



BALANCE SHEET AS AT MARCH 31, 2018

(Amount ₹ in Lacs)

Particulars	Note No	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
(1) Non-Current Assets				
(a) Property, plant and equipment	6	17,265.98	17,931.47	17,307.93
(b) Capital work-in-progress		58.51	169.11	1,425.84
(c) Intangible assets	7	243.02	175.10	173.14
(d) Financial assets				
- Deposits	8	158.50	156.65	153.72
(e) Deferred tax assets (Net)	9	1,274.33	1,445.38	1,549.56
(f) Other non-current assets	10	2,044.18	1,368.45	547.99
Total Non-Current Assets		21,044.52	21,246.16	21,158.18
(2) Current Assets				
(a) Inventories	11	2,727.12	2,425.38	2,741.03
(b) Financial assets				
(i) Investments	12	6,266.17	4,807.45	2,326.94
(ii) Trade receivables	13	15,819.88	13,295.98	12,783.73
(iii) Cash and cash equivalents	14	1,467.52	104.61	229.35
(iv) Other bank balances	15	104.93	95.48	126.62
(v) Loans	16	78.29	74.75	79.82
(vi) Other financial assets	17	7.26	10.29	9.52
(c) Current tax assets (net)	18	71.46	16.37	17.19
(d) Other current assets	19	580.65	745.64	992.91
Total Current Assets		27,123.28	21,575.95	19,307.11
Total Assets		48,167.80	42,822.11	40,465.29
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	20	2,000.00	1,000.00	1,000.00
(b) Other equity	21	26,264.96	24,286.77	20,869.88
Total Equity		28,264.96	25,286.77	21,869.88
Liabilities				
(1) Non-Current Liabilities				
(a) Financial liabilities				
- Borrowings	22	1,609.24	2,889.48	4,607.20
(b) Provisions	23	490.03	616.94	627.87
Total Non-Current Liabilities		2,099.27	3,506.42	5,235.07
(2) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	24	8.69	59.82	781.61
(ii) Trade payables	25	13,550.68	10,295.79	9,312.79
(iii) Other financial liabilities	26	2,371.40	2,902.57	2,649.50
(b) Other current liabilities	27	1,236.58	279.77	223.08
(c) Provisions	28	636.22	490.97	393.36
Total Liabilities		17,803.57	14,028.92	13,360.34
Total Equity and Liabilities		48,167.80	42,822.11	40,465.29

Accompanying Notes to Financial Statements

1-50

As per our report of even date attached

For K. C. Mehta & Co.,

Chartered Accountants

Firm Registration No. 112894W

Vishal P. Doshi

Partner

Membership No. 101533

Place : Waghodia, Vadodara

Date : May 28, 2018

S. K. Sharma
Chief Financial Officer

Rakesh Johari
Company Secretary

For and on behalf of the Board of Directors

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anuj Munjal Vikram Shah
Whole Time Director Chairman Audit Committee
DIN - 02714266 DIN - 00007914

Place : Waghodia, Vadodara

Date : May 28, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

		(Amount ₹ in Lacs)	
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from operations	29	105,647.14	92,969.40
II Other income	30	439.93	566.48
III Total Income (I+II)		106,087.07	93,535.88
IV EXPENSES			
Cost of materials consumed	31	79,651.10	63,856.81
Changes in inventories of finished goods and work-in-progress	32	(252.05)	(187.75)
Excise duty		2,340.29	7,970.42
Employee benefits expense	33	6,141.66	5,529.86
Finance costs	34	432.73	550.42
Depreciation and amortization expenses	35	1,818.70	1,719.62
Other expenses	36	10,513.61	9,687.26
Total Expenses (IV)		100,646.04	89,126.64
V Profit Before Tax (III-IV)		5,441.03	4,409.24
VI Tax expense	37		
(a) Current tax relating to:			
current year		1,101.32	944.03
earlier years		21.86	(114.70)
(b) Deferred tax		158.82	124.55
VII Profit for the year (V-VI)		4,159.03	3,455.36
VIII OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to profit or loss			
(i) Re-measurement of the defined benefit plans		34.99	(58.85)
- Income tax impact		(12.23)	20.37
		22.76	(38.48)
IX Total Comprehensive Income for the year (VII+VIII)		4,181.79	3,416.88
X Earnings per equity share (of ₹ 2 each)			
Basic and diluted (in ₹)	39	4.16	3.46
Accompanying Notes to Financial Statements	1-50		

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 112894W

Vishal P. Doshi
Partner
Membership No. 101533

Place : Waghodia, Vadodara
Date : May 28, 2018

S. K. Sharma
Chief Financial Officer

Rakesh Johari
Company Secretary

For and on behalf of the Board of Directors

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anuj Munjal Vikram Shah
Whole Time Director Chairman Audit Committee
DIN - 02714266 DIN - 00007914

Place : Waghodia, Vadodara
Date : May 28, 2018



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2018

Equity Share Capital	(Amount ₹ in Lacs)
Particulars	
Balance as on April 1, 2016	1,000
Changes during the year	-
Balance as on March 31, 2017	1,000
Issue of bonus shares	1,000
Balance as on March 31, 2018	2,000

Other Equity				(Amount ₹ in Lacs)
Particulars	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2016	2.09	2,848.73	18,019.06	20,869.88
Profit for the year	-	-	3,455.36	3,455.36
Re-measurement of defined benefit plans (net of tax)	-	-	(38.47)	(38.47)
Total comprehensive income for the year	-	-	3,416.89	3,416.89
Payment of dividends	-	-	-	-
Tax on dividends	-	-	-	-
Balance as at March 31, 2017	2.09	2,848.73	21,435.95	24,286.77
Profit for the year	-	-	4,159.03	4,159.03
Re-measurement of defined benefit plans (net of tax)	-	-	22.76	22.76
Total comprehensive income for the year	-	-	4,181.79	4,181.79
Utilised for issue of bonus shares	-	(1,000.00)	-	(1,000.00)
Payment of dividend	-	-	(1,000.00)	(1,000.00)
Tax on dividend	-	-	(203.60)	(203.60)
Balance as at March 31, 2018	2.09	1,848.73	24,414.14	26,264.96

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 112894W

S. K. Sharma
Chief Financial Officer

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Partner
Membership No. 101533

Rakesh Johari
Company Secretary

Place : Waghodia, Vadodara
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For and on behalf of the Board of Directors

Sudhir Kumar Munjal
Chairman & Managing Director
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Whole Time Director Chairman Audit Committee
DIN - 02714266 DIN - 00007914

Place : Waghodia, Vadodara
Date : May 28, 2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

	(Amount ₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,441.03	4,409.24
Adjustments for:		
Depreciation and amortisation expense	1,818.70	1,719.62
Interest to banks	384.70	547.32
Loss on property, plant and equipment sold/discarded (net)	0.11	41.18
Unwinding of discount	5.46	4.34
Re-measurement of defined benefit plans	34.99	(58.85)
Interest income	(9.96)	(13.98)
Dividend received	(130.88)	(176.91)
Net profit on sale of current investments	(32.72)	(24.16)
Net gain on investments carried at fair value through profit or loss	(219.10)	(238.33)
Sundry balances written back (net)	-	(14.72)
Unrealised foreign exchange loss/(gain)	(0.61)	4.44
Operating profit before changes in working capital	7,291.72	6,199.19
Adjustment for (increase)/decrease in operating assets		
Inventories	(301.74)	315.65
Trade receivables	(2,523.64)	(517.06)
Other financial assets	(700.09)	(508.81)
Other assets	164.99	247.27
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	3,254.89	999.56
Provisions	12.89	82.35
Other liabilities	676.87	429.00
Cash flow from operations after changes in working capital	7,875.89	7,247.15
Net Direct Taxes (Paid)/Refunded	(1,162.48)	(850.54)
Net Cash Flow from/(used in) Operating Activities	6,713.41	6,396.61
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital advances & CWIP	(1,153.71)	(1,435.06)
Proceeds from sale of property, plant and equipment	14.57	58.48
Purchase of investments	(33,403.69)	(27,315.87)
Sale of investments	32,196.80	25,097.86
Interest income	12.99	13.21
Dividend income	130.88	176.91
Bank balances not considered as cash and cash equivalents	(9.45)	31.14
Net Cash Flow from/(used in) Investing Activities	(2,211.61)	(3,373.33)



STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018 (Continued)

	For the year ended March 31, 2018	(Amount ₹ in Lacs) For the year ended March 31, 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,485.60)	(1,861.08)
Payment of dividend	(1,000.00)	-
Payment of dividend distribution tax	(203.60)	-
Net increase/(decrease) in working capital borrowings	(51.13)	(721.79)
Interest expenses	(398.91)	(563.65)
Net Cash Flow from/(used in) Financing Activities	(3,139.24)	(3,146.52)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	1,362.56	(123.24)
Cash & cash equivalents at beginning of year (see note no. 14)	104.61	229.35
Cash and cash equivalents at end of year (see note below)	1,467.17	106.11

Notes:

1 Cash and cash equivalents comprise of:

Cash on hands	7.98	9.22
Balance with banks		
In current accounts	1,159.19	-
In fixed deposits	300.00	96.88
Cash and cash equivalents as restated	1,467.17	106.10

Reconciliation of change in liabilities and financial assets arising from financial activities

	<u>Opening Balance</u>	<u>Cash flow</u>	<u>Non Cash Changes</u>	<u>Closing Balance</u>
Long-term borrowings	4,353.45	(1,485.60)	-	2,867.85
Short-term borrowings	59.82	(51.13)	-	8.69
Total	4,413.27	(1,536.73)	-	2,876.54

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 112894W

Vishal P. Doshi
Partner
Membership No. 101533

Place : Waghodia, Vadodara
Date : May 28, 2018

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For and on behalf of the Board of Directors

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Whole Time Director Chairman Audit Committee
DIN - 02714266 DIN - 00007914

Place : Waghodia, Vadodara
Date : May 28, 2018

Notes to the financial statements**1 Corporate information**

Munjal Auto Industries Limited ('the Company') is a public limited company domiciled and incorporated in India having its registered office at 187, GIDC Estate, Waghodia, District: Vadodara- 391760. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in manufacturing and selling of Auto components.

2 Application of new Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

Recent accounting pronouncements**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. This amendment has no effect on the financial statements of the Company.

Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on the Financial statements on adoption of Ind AS 115 is being evaluated by the Company.

3 Basis of preparation and presentation**i. Statement of compliance**

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended with effect from April 1, 2017.

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These are the Company's first Ind AS Financial Statements. The date of transition to Ind AS is April 1, 2016. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note No. 4 (xv).

Previous period figures in the Financial Statements have been restated in compliance to Ind AS.

Up to the year ended March 31, 2017, the Company had prepared the Financial Statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles applicable in India, applying the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 ('Previous GAAP'). In accordance with Ind AS 101- "First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at March 31, 2017, and April 1, 2016 and of the Profit after tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

ii. Accounting convention

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The Standalone Financial Statements are presented in Rupees in Lacs and all values are rounded off to the nearest two decimal except otherwise stated.

iii. Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4 Significant Accounting Policies

i. Property, plant and equipment

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act. Estimated useful lives of these assets are as under:

Description	Years
Building	30-60
Plant & Machinery	15
Furniture and Fixtures	10
Vehicles	8
Office Equipment	5
Computers	3

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

ii. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over a period of 3 to 10 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Statement of Profit and Loss when the asset is derecognised.

iii. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

iv. Inventories

Inventories other than scrap are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress (along with Stock in transit) include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Scrap is valued at estimated net realisable value.

Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower.

Provisions are made for obsolete and non-moving inventories.

v. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

(a) Sale of goods

Revenue from the sale of goods is recognised when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

vi. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rental expense from operating leases is generally recognised on a straight line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

vii. Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

viii. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

ix. Employee benefits

(a) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

(b) Post-employment benefits

(1) Defined contribution plan

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The eligible employees of the Company are entitled to receive benefits in respect of provident fund, for which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

(2) Defined benefit plan

Defined retirement benefit plans comprising of gratuity are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted. Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised to the Statement of Profit and Loss except those included in cost of assets as permitted. Remeasurement of defined retirement benefit plans comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to the Statement of Profit and Loss. The retirement benefit obligation recognised in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

(c) Other long term employee benefits

The obligation for long term employee benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the company and is recognised in a similar manner as in the case of defined benefit plans vide (b)(2) supra.

Long term employee benefit costs comprising current service cost, interest cost implicit in long term employee benefit cost and gains or losses on curtailments and settlements, re-measurement including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses.

x. Income taxes

Income tax expense represents the sum of the current tax and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

(c) Current and deferred tax for the year

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

xi. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Product warranty expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to five years.

xii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Statement of Profit and Loss are recognised immediately in the Statement of Profit and Loss.

xiii. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(a) Financial assets at amortised cost

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

(b) Equity investments at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income (FVTOCI) if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss when the right to receive payment has been established.

When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

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

Financial assets are measured at fair value through Profit or Loss (FVTPL) unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through Profit or Loss are immediately recognised in the Statement of Profit and Loss.

(d) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(e) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

xiv. Financial liabilities and equity instruments

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(a) Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs'.

(b) Equity instruments

An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(c) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

xv. First-time adoption – mandatory exceptions and optional exemptions**(a) Overall principle**

The Company has prepared the opening Balance Sheet as per Ind AS as of April 1, 2016 ('the transition date') by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

(b) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2016 (the transition date).

(c) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(d) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of April 01, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

xvi. Statement of cash flows

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) **Critical judgments in applying accounting policies**

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

(a) **Evaluation of indicators for impairment of property, plant and equipment**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

(ii) **Assumptions and key sources of estimation uncertainty**

(a) **Assets and obligations relating to employee benefits**

The employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

(b) **Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2018 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

(c) **Estimation of provision for warranty**

Management estimates the related provision for future warranty claims based on certain percentages of revenue. The provision is based on historical information on the nature, frequency and average cost of warranty claims. Management, also estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 1 to 5 years. The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

(d) **Provision for slow moving and obsolete items in inventory valuation**

Inventories are measured at the lower of cost and net realizable value. Write-down of inventories are calculated based on an analysis of foreseeable changes in demand, technology or market conditions to determine obsolete or excess inventories.

Notes to the financial statements

6 Property, Plant and Equipment

(Amount ₹ in Lacs)

Particulars /Assets	Tangible Assets							Total
	Freehold Land	Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	
GROSS BLOCK								
At April 1, 2016	1,635.23	4,236.73	10,727.57	318.78	304.84	56.82	27.96	17,307.93
Additions	-	844.00	1,195.28	4.14	334.53	28.74	10.68	2,417.37
Deduction/Adjustments	-	-	45.65	14.69	62.40	0.46	-	123.20
At March 31, 2017	1,635.23	5,080.73	11,877.20	308.23	576.97	85.10	38.64	19,602.10
Additions	81.96	71.84	694.91	7.77	230.87	35.21	0.48	1,123.04
Deduction/Adjustments	-	-	7.00	-	14.08	1.10	0.38	22.56
At March 31, 2018	1,717.19	5,152.57	12,565.11	316.00	793.76	119.21	38.74	20,702.58
ACCUMULATED DEPRECIATION								
At April 1, 2016	-	-	-	-	-	-	-	-
Charge for the year	-	182.32	1,395.10	22.45	60.72	19.67	13.92	1,694.18
Deduction/Adjustments	-	-	5.93	8.28	9.34	-	-	23.55
At March 31, 2017	-	182.32	1,389.17	14.17	51.38	19.67	13.92	1,670.63
Charge for the year	-	207.36	1,426.31	14.70	86.75	23.55	15.18	1,773.85
Deduction/Adjustments	-	-	3.17	-	3.65	0.68	0.38	7.88
At March 31, 2018	-	389.68	2,812.31	28.87	134.48	42.54	28.72	3,436.60
Net Block								
At April 1, 2016	1,635.23	4,236.73	10,727.57	318.78	304.84	56.82	27.96	17,307.93
At March 31, 2017	1,635.23	4,898.41	10,488.03	294.06	525.59	65.43	24.72	17,931.47
At March 31, 2018	1,717.19	4,762.89	9,752.80	287.13	659.28	76.67	10.02	17,265.98

Notes:

- 1 The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.
- 2 For details of property, plant and equipment given as security to lenders, refer Note No. 22.
- 3 The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.



Notes to the financial statements

(Amount ₹ in Lacs)

	Particulars /Assets	Computer Software	Total
7	Intangible Assets		
	GROSS BLOCK		
	At April 1, 2016	173.14	173.14
	Additions	27.39	27.39
	Deduction/Adjustments	-	-
	At March 31, 2017	200.53	200.53
	Additions	112.77	112.77
	Deduction/Adjustments	-	-
	At March 31, 2018	313.30	313.30
	ACCUMULATED AMORTISATION		
	At April 1, 2016	-	-
	Charge for the year	25.43	25.43
	Deduction/Adjustments	-	-
	At March 31, 2017	25.43	25.43
	Charge for the year	44.85	44.85
	Deduction/Adjustments	-	-
	At March 31, 2018	70.28	70.28
	Net Block		
	At April 1, 2016	173.14	173.14
	At March 31, 2017	175.10	175.10
	At March 31, 2018	243.02	243.02

- 1 The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.
- 2 The aggregate amortisation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8	Deposits			
	Unsecured, considered good			
	Deposits	158.50	156.65	153.72
	Total	158.50	156.65	153.72

NOTES TO THE FINANCIAL STATEMENTS

		(Amount ₹ in Lacs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
9 Deferred Tax Assets (Net)				
Deferred tax assets	2,850.04	3,012.97	3,011.43	
Deferred tax liabilities	(1,575.71)	(1,567.59)	(1,461.87)	
Total	1,274.33	1,445.38	1,549.56	

For the Financial Year 2017-18

		(Amount ₹ in Lacs)		
Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax asset on account of				
Expenses claimed for tax purpose on payment basis	382.70	13.89	(12.23)	384.36
Provision for slow moving and obsolete items	-	65.58	-	65.58
Impairment of doubtful debts	-	1.20	-	1.20
MAT credit entitlement	2,630.27	(231.37)	-	2,398.90
Total Deferred Tax Assets (A)	3,012.97	(150.70)	(12.23)	2,850.04
Deferred tax liability on account of				
Property, plant and equipment & intangible assets	1,512.84	37.62	-	1,550.46
Impact of discounting of Warranty Provisions	6.43	(3.37)	-	3.06
Impact of recognition of assets under Ind AS	12.98	(12.98)	-	-
Financial assets carried at fair value through profit or loss	35.34	(13.15)	-	22.19
Total Deferred Tax Liabilities (B)	1,567.59	8.12	-	1,575.71
Net Deferred Tax (A-B)	1,445.38	(158.82)	(12.23)	1,274.33
For the Financial Year 2016-17				
Deferred tax asset on account of				
Expenses claimed for tax purpose on payment basis	373.98	(11.65)	20.37	382.70
Amortisation of lease rent	7.18	(7.18)	-	-
MAT Credit entitlement	2,630.27	-	-	2,630.27
Total Deferred Tax Assets (A)	3,011.43	(18.83)	20.37	3,012.97
Deferred tax liability on account of				
Property, plant and equipment & intangible assets	1,424.44	88.40	-	1,512.84
Impact of discounting of warranty provisions	5.68	0.75	-	6.43
Impact of recognition of assets under Ind AS	7.29	5.69	-	12.98
Financial assets carried at fair value through profit or loss	24.46	10.88	-	35.34
Total Deferred Tax Liabilities (B)	1,461.87	105.72	-	1,567.59
Net Deferred Tax (A-B)	1,549.56	(124.55)	20.37	1,445.38



NOTES TO THE FINANCIAL STATEMENTS

		(Amount ₹ in Lacs)	
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
10 Other Non-Current Assets Unsecured, considered good			
Capital advances	208.14	46.59	38.64
Advance for Leasehold land	559.47	724.17	444.66
Advance Income tax (net of provisions)	12.37	28.18	6.14
VAT/CST paid under protest	6.39	6.39	6.39
Prepayments - Leasehold Land	1,257.81	563.12	52.16
Total	2,044.18	1,368.45	547.99
11 Inventories			
Raw Materials	1,186.35	1,174.87	1,671.33
Work in Process	910.62	509.15	549.12
Finished Goods	252.03	500.56	272.84
Finished Goods- Stock in Transit	99.11	-	-
Store and spares	279.01	240.80	247.74
Total	2,727.12	2,425.38	2,741.03

- (i) Inventory write downs/ provisions for slow-moving and obsolete items are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Provision for slow-moving and obsolete items of inventories amounted to ₹ 191.07 Lacs (March 31, 2017: ₹ 72.87 Lacs; April 1, 2016: ₹ 96.43 Lacs). The changes in provisions are recognised as an expense in the Statement of Profit and Loss.
- (ii) For Inventories given as security to lenders, refer Note No. 24.
- (iii) The cost of inventories recognised as an expense is disclosed in Notes 31, 32 and 36 in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS

	Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		(Units)	(Amount ₹ in Lacs)	(Units)	(Amount ₹ in Lacs)	(Units)	(Amount ₹ in Lacs)
12	Investments						
	Financial assets carried at fair value through profit or loss:						
	Investment in Mutual Funds (Unquoted*)						
	HDFC High Int Fund - Dynamic Plan	610,105	359.48	610,105	345.51	610,105	311.10
	Reliance Liquid Fund	-	-	100,655	1,538.75	38,391	586.90
	Reliance Liquid Fund TP	81,339	3,434.32	-	-	-	-
	Reliance Money Manager Fund Institutional Plan	-	-	117,807	1,186.91	91,329	917.14
	Reliance Liquidity Fund	21,347	556.19	-	-	-	-
	Reliance Small Cap Fund	472,152	204.64	472,152	163.35	228,042	55.47
	HDFC Equity Fund	19,260	113.94	19,181	104.30	19,181	79.93
	HDFC Midcap Opportunities Fund	381,311	211.46	391,311	189.88	269,309	97.62
	HDFC Top 200 Fund	-	-	-	-	15,118	46.72
	Reliance Top 200 Fund	328,457	101.88	-	-	-	-
	ICICI Prudence Value Discovery Fund	-	-	76,991	101.76	27,094	29.48
	ICICI Prudence Top 100	-	-	-	-	33,361	74.50
	ICICI Prudence Banking and Financial Sector Fund	-	-	-	-	149,563	49.13
	ICICI Equity Arbitrage Fund	1,181,960	271.88	1,181,960	257.37	-	-
	Reliance Equity Opportunities Fund	-	-	-	-	68,583	45.55
	DSP Blackrock Microcap Fund	122,034	76.41	122,034	70.65	91,329	33.40
	HDFC Liquid Fund DDR	-	-	44	0.45	-	-
	SBI Ultra Short Term Debt Fund	-	-	77	0.78	-	-
	SBI Blue Chip Fund	284,072	105.74	281,832	94.62	-	-
	DSP Blackrock Money Manager Fund	-	-	55	0.55	-	-
	Motilal Oswal Most Focused Multicap Fund	719,327	189.21	719,327	163.79	-	-
	Kotak Equity Arbitrage Fund	1,096,987	272.75	1,096,987	256.93	-	-
	Kotak Select Focus Fund	582,569	185.33	582,569	167.44	-	-
	DSP Blackrock Opportunities Fund	86,483	182.94	86,207	164.41	-	-
	Total		6,266.17		4,807.45		2,326.94

Investments in mutual funds have been fair valued at closing net asset value (NAV).



NOTES TO THE FINANCIAL STATEMENTS

		(Amount ₹ in Lacs)		
Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
13	Trade receivables			
	Unsecured, Considered good	15,819.88	13,295.98	12,783.73
	Unsecured, Considered Doubtful	3.43	-	-
	Total (A)	15,823.31	13,295.98	12,783.73
	Less: Impairment for doubtful trade receivables (B)	3.43	-	-
	Total (A-B)	15,819.88	13,295.98	12,783.73

- (i) Generally, the Company enters into long-term sales arrangement with its customers. The average credit period is around 45 days.
- (ii) At March 31, 2018, the Company had a **single customer** (March 31, 2017: single customer, April 1, 2016: single customer) having outstanding more than 5% of total trade receivables that accounted for approximately **92%** (March 31, 2017: 91%, April 1, 2016: 89%) of total trade receivables outstanding.
- (iii) Accordingly, the Company assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from its customers within due date.
- (iv) No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.
- (v) Movement of Impairment for doubtful trade receivables:

		(Amount ₹ in Lacs)	
Particulars	As at March 31, 2018	As at March 31, 2017	
Balance at beginning of the year	-	-	
Addition in expected credit loss allowance on trade receivables	3.43	-	
Balance at end of the year	3.43	-	

		(Amount ₹ in Lacs)		
Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
14	Cash and Cash Equivalents			
	Balances with banks			
	In Current Accounts	1,159.19	96.89	226.05
	In Fixed Deposits	300.00	-	-
	Cash on hand	8.33	7.72	3.30
	Total	1,467.52	104.61	229.35
15	Other Bank Balances			
	Balances with banks			
	Unclaimed Dividend Accounts (earmarked accounts)	100.79	91.73	122.93
	Deposit with bank held as margin money against Bank guarantee & LC	4.14	3.75	3.69
	Total	104.93	95.48	126.62
16	Current Loans			
	Unsecured, considered good			
	Loans to Employees	4.51	0.97	6.04
	Deposits	51.45	51.45	51.45
	Other advances	22.33	22.33	22.33
	Total	78.29	74.75	79.82

NOTES TO THE FINANCIAL STATEMENTS

		(Amount ₹ in Lacs)		
Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
17	Other Current Financial Assets			
	Unsecured, considered good			
	Interest receivable	7.26	10.29	9.52
	Total	7.26	10.29	9.52
18	Current Tax Assets (net)			
	Current Tax Assets			
	Advance tax (net of provisions)	71.46	16.37	17.19
	Total	71.46	16.37	17.19
19	Other Current Assets			
	Unsecured, considered good			
	Balance with Government Authorities	41.58	470.29	703.71
	Deposit (Refer note below)	15.45	15.45	15.45
	Prepaid Expenses	224.97	144.92	119.33
	Prepayments - Leasehold Land	16.43	8.14	0.76
	Advance to Vendors	282.22	106.84	153.66
	Total	580.65	745.64	992.91

The Company had deposited ₹ 15.45 Lacs under protest towards octroi duty in a separate bank account jointly held with the Sarpanch, Waghodia Gram Panchayat. The State Government of Gujarat has notified that industrial units in the notified area of Waghodia is not required to pay the octroi duty from July 19, 1997. The Company believes it has no liability for octroi duty even for the earlier period and hence no provision has been made. In the absence of clarity regarding rights of respective parties, interest income credited by the bank amounting to **₹ 21.43 Lacs** (As at March 31, 2017: ₹ 20.10 Lacs; As at April 1, 2016: ₹ 18.38 Lacs) on the aforesaid amount till March 31, 2018 has not been recognised.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
20 Equity Share Capital			
Authorised Share capital			
10,00,00,000 (As at March 31, 2017: 10,00,00,000; As at April 1, 2016: 10,00,00,000) Equity Shares of ₹ 2 each	2,000.00	2,000.00	2,000.00
Unclassified Shares	500.00	500.00	500.00
Issued, subscribed & fully paid share capital			
10,00,00,000 (As at March 31, 2017: 5,00,00,000; As at April 1, 2016: 5,00,00,000) Equity Shares of ₹ 2 each	2,000.00	1,000.00	1,000.00
Total	2,000.00	1,000.00	1,000.00

(i) A reconciliation of number of shares outstanding at the beginning and at the end of reporting period is as under:

(Amount ₹ in Lacs)		
Particulars	No. of Shares	Share Capital
As at April 1, 2016	50,00,000	1,000.00
Additions/(Reductions)	-	-
As at March 31, 2017	50,00,000	1,000.00
As at April 1, 2017	50,00,000	1,000.00
Add: Bonus shares issued	50,00,000	1,000.00
As at March 31, 2018	100,00,000	2,000.00

NOTES TO THE FINANCIAL STATEMENTS

(ii) Rights, preferences and restrictions attached to shares

For all matters submitted to vote in a shareholders meeting of the Company, every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the Company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

Particulars	No. of shares	Extent of Holding
(iii) Details of shares held by holding company are classified as under		
Thakur Devi Investments Private Limited		
As at March 31, 2018	74,806,450	74.81%
As at March 31, 2017	37,403,225	74.81%
As at April 1, 2016	37,403,225	74.81%
(iv) Details of shareholders holding more than 5% shares in the Company are as under		
Thakur Devi Investments Private Limited		
As at March 31, 2018	74,806,450	74.81%
As at March 31, 2017	37,403,225	74.81%
As at April 1, 2016	37,403,225	74.81%
(v) Pursuant to the approval of the shareholders accorded in Annual General Meeting held on June 30, 2017, the Company has allotted 5,00,00,000 number of fully paid Bonus shares on July 13, 2017 in the ratio of one equity share of ₹ 2 each fully paid up for every one existing equity share of ₹ 2 each fully paid up.		

Existing Equity Share of ₹ 2 each fully paid up.

		(Amount ₹ in Lacs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
21 Other Equity				
Capital Reserve	2.09	2.09	2.09	
General Reserves	1,848.73	2,848.73	2,848.73	
Retained Earnings	24,414.14	21,435.95	18,019.06	
Total	26,264.96	24,286.77	20,869.88	
(i) Particulars relating to Other Equity				
Other Equity		As at March 31, 2018	As at March 31, 2017	
Capital Reserve				
Opening Balance		2.09	2.09	
Add: Movements		-	-	
Closing Balance (A)		2.09	2.09	
General Reserves				
Opening Balance		2,848.73	2,848.73	
Less: Utilised for issue of Bonus Shares		1,000.00		
Closing Balance (B)		1,848.73	2,848.73	
Retained Earnings				
Opening Balance		21,435.95	18,019.06	
Add: Net profit after tax transferred from Statement of Profit & Loss		4,159.03	3,455.36	
Add: Other Comprehensive income arising from re-measurement of defined benefit obligation net of income tax		22.76	(38.47)	
Less: Dividend paid (amount per share ₹ 2 on 5,00,00,000 shares (Previous Year ₹ Nil))		(1,000.00)	-	
Less: Tax on Dividend paid		(203.60)	-	
Closing Balance (C)		24,414.14	21,435.95	
Total (A+B+C)		26,264.96	24,286.77	

NOTES TO THE FINANCIAL STATEMENTS

- (ii) Capital Reserve represents the profit on re-issue of forfeited shares.
- (iii) The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
- (iv) In respect of the year ended March 31, 2018, the Board of Directors has proposed a final dividend of ₹ 1.20 per share to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is ₹ 1,200.00 lacs and the dividend distribution tax thereon amounts to ₹ 246.66 lacs.

		(Amount ₹ in Lacs)		
Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
22	Borrowings			
	Secured			
	Term Loans			
	From Banks	1,609.24	2,889.48	4,607.20
	Total	1,609.24	2,889.48	4,607.20

- (i) Nature of security and terms of repayment for long term secured borrowings including current maturities:

Particulars	Terms of Repayment
Term loan outstanding ₹ 25.00 Lacs	Repayable in 20 equal quarterly instalments of ₹ 25 Lacs commencing from September, 2013
Term loan outstanding ₹ 4,71.88 Lacs	Repayable in 24 equal quarterly instalments of ₹ 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 ₹ 1,57.50 Lacs 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 ₹ 78.75 Lacs commencing from September, 2013
Term loan outstanding ₹ 3,28.00 Lacs 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 ₹ 25 Lacs and remaining 22 quarterly instalment of ₹ 66 Lacs commencing from December, 2013
Term loan outstanding ₹ 6,25.06 Lacs 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 ₹ 41.66 Lacs commencing from January, 2016
Term loan outstanding ₹ 1,260.42 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 ₹ 114.58 Lacs commencing from December, 2014

		(Amount ₹ in Lacs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
23 Long-term provisions				
Provision for employee benefits (For details refer note no. 41)				
Gratuity	75.91	159.40	261.18	
Leave Encashment	343.13	410.37	333.47	
Provision for warranties	70.99	47.17	33.22	
Total	490.03	616.94	627.87	



NOTES TO THE FINANCIAL STATEMENTS

(i) Movement in warranties provision:

Particulars	(Amount ₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	79.55	57.67
Additions during the year	21.74	25.40
Amount utilised during the year	(3.90)	(7.86)
Provision reversed during the year	(16.06)	-
Unwinding of discount on provisions	5.46	4.34
Closing balance	86.79	79.55
Long-term Provisions	70.99	47.17
Short-term Provisions	15.80	32.38

The provision for warranty claims represents the present value as best estimate of the future economic benefits that will be required under the Company's obligations for warranties. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

Particulars	(Amount ₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
24 Borrowings			
Secured			
Loans repayable on demand from banks	8.69	59.82	781.61
Total	8.69	59.82	781.61
(i) These loans are secured by a first charge on inventories, receivables and all other current assets of the Company.			
25 Trade Payables			
Trade Payables	13,550.68	10,295.79	9,312.79
Total	13,550.68	10,295.79	9,312.79

- (i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

Trade payables - Total outstanding dues of Micro & Small enterprises*

(a) Principal & Interest amount remaining unpaid but not due as at year end	165.29	155.97	130.11
- Principal	-	-	-
- Interest	6.76	0.91	1.45
(b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) Interest accrued and remaining unpaid as at year end	6.76	0.91	1.45
(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	41.32	40.41	38.96

*Based on the confirmation from Vendors.

NOTES TO THE FINANCIAL STATEMENTS

		(Amount ₹ in Lacs)		
	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
26	Other Financial Liabilities			
	Current maturities of long term debt	1,258.61	1,463.97	1,607.33
	Interest accrued and due on borrowings	24.96	39.18	55.51
	Unclaimed Dividends	100.79	91.74	122.93
	Security Deposits	16.19	16.15	16.65
	Expenses payable	255.40	424.65	220.54
	Payable to Employees	596.25	716.03	516.15
	Payable for Capital Goods	119.20	150.85	110.39
	Total	2,371.40	2,902.57	2,649.50
27	Other Current liabilities			
	Liability for statutory payments	1,167.00	250.88	187.72
	Advance from Customers	69.58	28.89	35.36
	Total	1,236.58	279.77	223.08
28	Provisions			
	Provision for employee benefits (For details refer note no. 41)			
	Gratuity	117.51	106.38	94.14
	Leave Encashment	502.91	352.20	274.77
	Provision for warranties (Refer note no. 23 for details)	15.80	32.39	24.45
	Total	636.22	490.97	393.36

		(Amount ₹ in Lacs)	
	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
29	Revenue from Operations		
	Sale of Products		
	Components of Automobile (including excise duty)	104,710.23	92,249.76
	Other Operating Revenue		
	Sale of scrap	932.89	703.14
	Export Incentives	4.02	16.50
	Total	105,647.14	92,969.40
30	Other Income		
	Interest income on financial assets carried at amortised cost		
	Deposit with bank and others	9.96	13.98
	Dividend Income		
	Dividend received on investments carried at fair value through Profit or Loss	130.88	176.91
	Cash Discount	24.99	35.95
	Net Profit on sale of Current Investments	32.72	24.16
	Net gain on investments carried at fair value through Profit or Loss	219.10	238.33
	Other non-operating income		
	Sundry balances written back (net)	-	14.71
	Miscellaneous Income	22.28	62.44
	Total	439.93	566.48



NOTES TO THE FINANCIAL STATEMENTS

		(Amount ₹ in Lacs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
31 Cost of materials consumed			
Cost of materials consumed	79,651.10	63,856.81	
Total	79,651.10	63,856.81	
32 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress			
Opening stock			
Finished goods	500.56	272.84	
Work-in-progress	509.15	549.12	
Total (A)	1,009.71	821.96	
Closing stock			
Finished goods	252.03	500.56	
Work-in-progress	910.62	509.15	
Finished Goods- Stock in Transit	99.11	-	
Total (B)	1,261.76	1,009.71	
Total(A-B)	(252.05)	(187.75)	
33 Employee Benefits Expense			
Salaries and wages	5,311.33	4,808.70	
Contribution to provident and other funds	596.66	508.04	
Staff welfare expenses	233.67	213.12	
Total	6,141.66	5,529.86	
34 Finance Costs			
Interest on			
Borrowings from banks	369.10	534.26	
Others	48.03	3.11	
Other costs	10.14	8.71	
Unwinding of discount on provisions	5.46	4.34	
Total	432.73	550.42	
35 Depreciation and amortization expense			
Depreciation on property, plant and equipment	1,773.85	1,694.19	
Amortisation of intangible assets	44.85	25.43	
Total	1,818.70	1,719.62	

NOTES TO THE FINANCIAL STATEMENTS

		(Amount ₹ in Lacs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
36 Other Expenses			
Consumption of Stores & Spares, Tools	3,138.22	2,699.44	
Power and fuel	1,977.48	1,819.96	
Freight Charges	927.76	951.37	
Repairs and Maintenance :			
Repairs to Buildings	30.92	33.91	
Repairs to Machinery	210.51	165.08	
Repairs and Maintenance - Others	126.97	96.27	
Rent	156.86	132.04	
Wages to Contractors	1,971.07	2,070.23	
Professional Charges	253.82	126.23	
Insurance Premium	141.81	133.97	
Payment to Auditors	16.50	12.00	
Loss on property, plant and equipment sold/discarded (Net)	0.11	41.18	
Rates and Taxes excluding taxes on income	25.83	20.05	
Charity & Donation / CSR Expenses	78.80	67.73	
Warranty Expenses	5.68	26.29	
Exchange fluctuation (net)	6.55	1.55	
Impairment of doubtful trade receivables	3.43	-	
Miscellaneous Expenses	1,441.29	1,289.96	
Total	10,513.61	9,687.26	
(i) Payment to auditors has been classified below (Excluding Taxes)			
As Auditors	13.50	12.00	
For Taxation Matters	4.75	2.50	
For Certification	12.00	1.50	
For Other Services	9.75	1.50	
For Out of pocket expenses	1.58	-	
Total	41.58	17.50	

(ii) Expenditure towards Corporate Social Responsibility (CSR) activities:

(a) Gross amount required to be spent by the Company during the year: ₹ 76.54 Lacs (Previous Year: ₹ 82.26 Lacs)

(b) Amount spent in cash during the year on:

(Amount ₹ in Lacs)			
Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
	-	-	-
(ii) On purposes other than (i) above	70.00	-	70.00
	(66.30)	-	(66.30)

Amounts in bracket indicate previous year figures.



NOTES TO THE FINANCIAL STATEMENTS

		(Amount ₹ in Lacs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
37 Tax Expense			
Current tax in relation to			
Current years	1,101.32	944.03	
Earlier years	21.86	(114.70)	
Deferred Tax			
In respect of current year	(60.33)	104.18	
Unused Tax Credits	231.38	-	
Total income tax expense recognised in the current year	1,294.23	933.51	
(i) The income tax expense for the year can be reconciled to the accounting profit as follows:			
Profit before tax	5,476.02	4,350.39	
Income tax expense calculated at 34.608% (2016-17: 34.608%)	1,895.14	1,505.58	
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income			
Expenses not allowed in Income Tax	56.94	13.52	
Difference in tax rate from 34.608% to 34.944%	(66.22)	-	
Exempted Income	(64.60)	(130.75)	
Reversal of Provision of diminution of investments	-	(5.30)	
Effect of deduction under section 80IC of the Income tax Act, 1961	(471.85)	(394.98)	
Prior period errors	(19.57)	60.14	
Tax adjustment of earlier years	(35.61)	(114.70)	
	1,294.23	933.51	

		(Amount ₹ in Lacs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
38 Contingent Liabilities and Commitments				
(to the extent not provided for)				
(A) Contingent liabilities not provided for in respect of				
Claims against the company not acknowledged as debt under the labour laws	44.12	84.82	172.06	
Income Tax	6.37	75.83	51.58	
Sales Tax	31.89	31.89	31.89	
Excise Duty	58.76	58.76	236.56	
(B) Commitments				
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	127.06	29.14	118.01	
(b) Commitment with respect to the leasehold land to be purchased	536.84	-	-	

NOTES TO THE FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
39 Earnings per share		
Profit after tax for the year attributable to equity shareholders (₹ in Lacs)	4,159.03	3,455.36
Weighted average number of equity shares (in Nos.)	100,000,000	100,000,000
Basic and Diluted earnings per equity share (in ₹)	4.16	3.46
Face Value per equity share (in ₹)	2.00	2.00

Notes:

The Company has allotted 50,000,000 number of fully paid Bonus Shares on July 13, 2017 in the ratio of one equity share of ₹ 2 each fully paid up for every one existing equity shares of ₹ 2 fully paid up. In accordance with Ind AS 33, 'Earning per Share', basic and diluted earnings per equity share have been adjusted for bonus issue for previous year.

40 Leases

The Company has obtained land, certain premises and furniture and fittings for its business operations under operating lease or leave and license agreements. These are generally not non-cancellable and periods range between 11-12 months and 99 years under leave and licence and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. These refundable security deposits have been valued at amortised cost under relevant Ind AS.

Lease payments are recognised in the Statement of Profit and Loss under "Rent" in Note 36.

41 Employee Benefits
(a) Defined Contribution Plans

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

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The major defined contribution plans operated by the Company are as below:

(i) Provident fund and Pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company, post contribution of amount specified under the law to Employee Provident Fund Organisation on account of employee pension scheme.

(ii) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 10% of the eligible employees' salary to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expenses recognised in the Statement of Profit and Loss during the year are as under:

Particulars	For the year ended March 31, 2018	(Amount ₹ in Lacs) For the year ended March 31, 2017
Employer's contribution to Provident and other Funds	299.53	259.87
Employer's contribution to Superannuation Fund	84.45	82.58
Total	383.98	342.45

NOTES TO THE FINANCIAL STATEMENTS

(b) Defined Benefit Plan

(i) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review.

This plan typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

(II) Investment Risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.

(II) Interest Rate Risk

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

(III) Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(IV) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Amounts recognized in the Financial Statements in respect of defined benefit plan are as follows:

Particulars	For the year ended March 31, 2018	(Amount ₹ in Lacs) For the year ended March 31, 2017
Service Cost		
Current Service Cost	106.39	94.14
Past service cost and loss/(gain) on curtailments and settlement	29.98	-
Net interest expense/ (income)	15.20	24.04
Components of defined benefit costs recognised in		
Employee Benefit Expenses	151.57	118.18
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(31.79)	39.84
Actuarial (gains)/losses arising from experience adjustments	2.01	19.52
Return on Plan Assets excluding amount included in net interest cost	(5.21)	(0.51)
Components of Re-measurement	(34.99)	58.85
Total	116.58	177.03

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Amount ₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:		
Present Value of funded defined benefit obligation	1,174.07	1,032.07
Fair value of plan assets	980.66	766.28
Net liability arising from defined benefit obligation	193.41	265.79
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined obligation	1,032.07	868.48
Current service cost	106.39	94.14
Interest cost	61.86	57.06
Re-measurement (gains)/losses :		
Actuarial (gains)/ losses arising from changes in financial assumptions	(31.79)	39.84
Actuarial (gains)/ losses arising from experience adjustments	2.01	19.52
Past Service Cost	29.98	-
Benefits paid	(26.45)	(46.97)
Closing defined benefit obligation	1,174.07	1,032.07
Movements in the fair value of plan assets are as follows:		
Opening value of plan assets	766.28	513.16
Interest income	46.66	33.02
Return on plan assets excluding amounts included in interest income	5.21	0.51
Contributions by employer	187.96	266.56
Benefits paid	(25.45)	(46.97)
Closing defined benefit obligation	980.66	766.28
Classification of Non-Current and Current Liability:		

Particulars	(Amount ₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current liability	117.50	106.39	94.14
Current liability	75.91	159.40	261.18
Total	193.41	265.79	355.32

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal Rates	Upto 25 years: 10% from 26 to 35 years: 7.50% from 36 to 45 years: 5.00% from 46 to 55 years: 2.50% After 56 years: 1.00%	Upto 25 years: 10% from 26 to 35 years: 7.50% from 36 to 45 years: 5.00% from 46 to 55 years: 2.50% After 56 years: 1.00%	Upto 25 years: 10% from 26 to 35 years: 7.50% from 36 to 45 years: 5.00% from 46 to 55 years: 2.50% After 56 years: 1.00%
Discount Rate (%)	7.60%	7.15%	7.80%
Salary escalation rate (%)	7.50%	7.50%	7.50%
Rate of Return on Plan Assets (%)	7.60%	7.15%	7.80%



NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Amount ₹ in Lacs)	
	As at March 31, 2018	As at March 31, 2017
The fair value of the plan assets at the end of the reporting period for each category are as follows:		
100% managed by insurer (Life Insurance Corporation of India)	980.66	766.28
Fair value of Investment in Group of Insurance Company is taken as book value on reporting date.		
The actual return on plan assets of gratuity during the year is ₹ 51.87 Lacs (during previous year ended March 31, 2017: ₹ 33.53 Lacs)		
Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		

Significant actuarial assumptions	(Amount ₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount Rate		
- Impact due to increase of 50 basis points	1,140.92	946.05
- Impact due to decrease of 50 basis points	1,209.51	1,000.93
Salary increase		
- Impact due to increase of 50 basis points	1,208.06	1,000.22
- Impact due to decrease of 50 basis points	1,141.63	946.10
Withdrawal Rate		
- Impact due to increase of 10 percent	1,173.88	972.98
- Impact due to decrease of 10 percent	1,173.00	971.83

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Particulars	(Amount ₹ in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Maturity Profile of Defined Benefit Obligations:		
Zero to Four years	46.96	66.81
Four to Ten years	306.14	236.56
Ten to Fifteen years	63.97	55.55
Fifteen and above	757.00	673.15
Accrued gratuity for left employees	-	-
Total	1,174.07	1,032.07

The Company expects to make a contribution of ₹ 117.51 Lacs (as at March 31, 2017: ₹ 106.39 Lacs, as at April 1, 2016: ₹ 94.14 Lacs) to the defined benefit plans during the next financial year.

42 Impairment of Assets

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at March 31, 2018.

NOTES TO THE FINANCIAL STATEMENTS**43 Segment Reporting**

The Company's operations falls under single segment namely "Manufacturing of Auto Components", taking into account the risks and returns, the organization structure and the internal reporting systems. Segment revenue from "Manufacturing of Auto Components" represents revenue generated from external customers which is attributable to the Company's country of domicile i.e. India and external customers outside India as under:

Particulars	(Amount ₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from:		
Outside India	139.56	551.38
In India	105,507.58	92,418.02

All assets are located in the Company's country of domicile i.e. India.

The Company's significant revenues (more than 90%) are derived from single entity. The total revenue from such entities amounted to ₹ 1,00,102.52 Lacs (for the year ended March 31, 2017: ₹ 87,343.59 Lacs)

44 Related Party Disclosures:

Name of related parties and description of their relationships are as under:

(A) Holding Company:

Thakurdevi Investments Private Limited

(B) Key Managerial Personnel:

Mr. Sudhir Kumar Munjal	Chairman and Managing Director
Mrs. Anju Munjal	Whole-time Director
Mr. Anuj Munjal	Whole-time Director
Mr. S. K. Sharma	Chief Financial Officer
Mr. Rakesh Johari	Company Secretary
Mr. Vikram Shah	Independent Director
Mr. Naresh Kumar Chawla	Independent Director
Mr. Mahendra Sanghvi	Independent Director
Mr. Ramkisan Devidayal	Independent Director
Mr. Sudesh Kumar Duggal	Independent Director
Mr. Jal Ratanshaw Patel	Independent Director



NOTES TO THE FINANCIAL STATEMENTS

(C) Enterprise in which directors and their relatives are directors

Sara Investment Private Limited

The following transactions were carried out with the related parties in ordinary course of business during the year:

(Amount ₹ in Lacs)

Nature of Transaction	Holding Company	Enterprise in which directors and their relatives are directors	Key Managerial personnel	Total
Remuneration paid	-	-	817.43	817.43
	-	-	(652.22)	(652.22)
Mr. Sudhir Kumar Munjal	-	-	272.17	272.17
	-	-	(209.53)	(209.53)
Mrs. Anju Munjal	-	-	238.15	238.15
	-	-	(190.84)	(190.84)
Mr. Anuj Munjal	-	-	238.15	238.15
	-	-	(189.52)	(189.52)
Mr. S. K. Sharma	-	-	50.07	50.07
	-	-	(45.48)	(45.48)
Mr. Rakesh Johari	-	-	18.89	18.89
	-	-	(16.85)	(16.85)
Sitting Fees paid	-	-	19.12	19.12
	-	-	(18.28)	(18.28)
Mr. Vikram Shah	-	-	4.72	4.72
	-	-	(4.08)	(4.08)
Mr. Naresh Kumar Chawla	-	-	3.40	3.40
	-	-	(3.80)	(3.80)
Mr. Mahendra Sanghvi	-	-	3.60	3.60
	-	-	(3.80)	(3.80)
Mr. Ramkisan Devidayal	-	-	3.80	3.80
	-	-	(3.40)	(3.40)
Mr. Sudesh Kumar Duggal	-	-	2.20	2.20
	-	-	(1.40)	(1.40)
Mr. Jal Ratanshaw Patel	-	-	1.40	1.40
	-	-	(1.80)	(1.80)
Payments made by the Company on behalf of	96.25	42.68	-	-
	(5.29)	(7.68)	-	(3.49)
Sara Investments	-	30.88	-	-
	-	(0.79)	-	(3.49)
Sudhir Kumar & Sons HUF	-	11.80	-	-
	-	(6.89)	-	-
Thakurdevi Investments Private Limited	96.25	-	-	138.93
	(5.29)	-	-	(9.30)
Dividend Paid	748.06	-	-	748.06
	-	-	-	-
Thakurdevi Investments Private Limited	748.06	-	-	748.06
	-	-	-	-

Amounts in bracket indicate previous year figures.

NOTES TO THE FINANCIAL STATEMENTS

Balance as at:

Particulars	(Amount ₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Remuneration payable	34.01	83.72	33.37
Mr. Sudhir Kumar Munjal	15.93	40.58	3.08
Mrs. Anju Munjal	4.86	6.91	21.98
Mr. Anuj Munjal	9.55	32.94	5.53
Mr. S. K. Sharma	2.56	2.41	1.98
Mr. Rakesh Johari	1.11	0.88	0.80

Category-wise break up of compensation to key management personnel during the year is as follows:

Particulars	(Amount ₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	728.17	571.48
Post-employment benefits (excluding Leave encashment)	89.76	81.06

- 45 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 46 The Company has a system of physical verification of Inventory and Stores on regular intervals and of Fixed assets in a phased manner to cover all items over a period of two years. Adjustment differences, if any, are carried out on completion of reconciliation.

47 Financial Instrument Disclosure:

(a) Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company, safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings.

The Company monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as liabilities, comprising interest-bearing loans less cash and cash equivalents, other bank balances (including earmarked balances) and current investments. Equity comprises all components of equity.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Particulars	(Amount ₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity share capital	2,000.00	1,000.00	1,000.00
Other Equity	26,264.96	24,286.77	20,869.88
Total Equity (A)	28,264.96	25,286.77	21,869.88
Non-current borrowings	1,609.24	2,889.48	4,607.20
Short term borrowings	8.69	59.82	781.61
Current maturities of long term borrowings	1,258.61	1,463.97	1,607.33
Gross Debt (B)	2,876.54	4,413.27	6,996.14
Gross Debt as above	2,876.54	4,413.27	6,996.14
Less: Current investments	6,266.17	4,807.45	2,326.94
Less: Cash and cash equivalents	1,467.52	104.61	229.35
Less: Other balances with bank (including earmarked balances)	104.93	95.48	126.62
Net Debt (C)	(4,962.08)	(594.27)	4,313.23
Net debt to equity	(0.18)	(0.02)	0.20

(b) Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 (xii), (xiii) and (xiv).

(i) Financial assets and liabilities

The following tables presents each category of financial assets and liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016.

Particulars	(Amount ₹ in Lacs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. Financial Assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Investments in mutual funds	6,266.17	4,807.45	2,326.94
Measured at amortised cost			
Trade and other receivables	15,819.88	13,295.98	12,783.73
Cash and cash equivalents	1,467.52	104.61	229.35
Other bank balances	104.93	95.48	126.62
Loans	236.79	231.40	233.54
Other financial assets	7.26	10.29	9.52
Total	23,902.55	18,545.21	15,709.70
II. Financial Liabilities			
Measured at amortised cost			
Long term borrowings	1,609.24	2,889.48	4,607.20
Short term borrowings	8.69	59.82	781.61
Trade payables	13,550.68	10,295.79	9,312.79
Other financial liabilities	2,371.40	2,902.57	2,649.50
Total	17,540.01	16,147.66	17,351.10

(ii) Fair value measurement

This note provides information about how the Company determines fair values of various financial assets and liabilities.

Fair value measurements under IndAS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

Following table gives information about how the fair values of the Company's financial assets are determined:

Financial assets	(Amount ₹ in Lacs)		Fair value hierarchy
	Fair value as at March 31, 2018	Fair value as at March 31, 2017	
Investment in mutual funds	6,266.17	4,807.45	Level 1

Valuation technique and key input: NAV declared by respective Asset Management Companies.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except fair value of investments in mutual funds approximate their fair values.

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

(iii) Financial risk management objectives

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include mutual funds, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

(I) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Foreign Currency Exposure	(Amount ₹ in Lacs)		
	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Assets	17.40	248.62	216.64
Liabilities	11.06	50.56	42.84

The Company has not entered in to any forward contracts to hedge its foreign exposures and therefore there are no outstanding forward contract at the year end (as at March 31, 2017: Nil, as at April 1, 2016: Nil)

Foreign Currency Sensitivity:

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables. As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

USD sensitivity at year end	(Amount ₹ in Lacs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Assets		
Weakening of INR by 5%	0.87	12.43
Strengthening of INR by 5%	(0.87)	(12.43)
Liabilities		
Weakening of INR by 5%	(0.55)	(2.53)
Strengthening of INR by 5%	0.55	2.53

(II) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from the long term borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.

The Company invests the surplus fund generated from operations in mutual funds. Considering these mutual funds are short term in nature, there is no significant interest rate risk.

The Company has laid policies and guidelines including tenure of investment made to minimise impact of interest rate risk.

(III) Price risk

The Company has deployed its surplus funds into units of mutual fund. The Company is exposed to NAV (net asset value) price risks arising from investments in these funds. The value of these investments is impacted by movements in liquidity and credit quality of underlying securities.

NAV price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to NAV price risks at the end of the reporting period. If NAV prices had been 1% higher/lower:

Profit for the year ended March 31, 2018 would increase/decrease by ₹ 62.66 Lacs (for the year ended March 31, 2017: increase/decrease by ₹ 48.07 Lacs)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in mutual funds, trade receivables and loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed as under:

Particulars	(Amount ₹ in Lacs)		
	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Within the credit period	15,819.88	13,292.56	12,783.73
Upto 6 months past due	-	-	-
More than 6 months past due	3.43	3.43	-
Total	15,823.31	13,295.99	12,783.73

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking informations.

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	(Amount ₹ in Lacs)		
	1 month -1 year	1 year – 3 years	More than 3 years
As at March 31, 2018			
Long term borrowings	1,258.61	1,609.24	-
Short term borrowings	8.69	-	-
Trade payables	13,550.68	-	-
Other financial liabilities	1,112.79	-	-
Total	15,930.77	1,609.24	-

(Amount ₹ in Lacs)

Particulars	1 month -1 year	1 year – 3 years	More than 3 years
As at March 31, 2017			
Long term borrowings	1,463.97	2,764.34	125.14
Short term borrowings	59.82	-	-
Trade payables	10,295.79	-	-
Other financial liabilities	1,438.60	-	-
Total	13,258.18	2,764.34	125.14

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Ind AS 107.34, 35 B11(e)

As at March 31, 2018

Trade and other receivables	15,819.88	-	-
Investments in Mutual funds	6,266.17	-	-
Loans	78.29	-	158.50
Other financial assets	7.26	-	-
Total	22,171.60	-	158.50

As at March 31, 2017

Trade and other receivables	13,295.98	-	-
Investments in Mutual funds	4,807.45	-	-
Loans	74.75	-	156.65
Other financial assets	10.29	-	-
Total	18,188.47	-	156.65

The Company has access to committed credit facilities as described below, of which ₹ 66.29 Lacs were unused at the end of the reporting year (as at March 31, 2017 ₹ 72.78 Lacs). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(Amount ₹ in Lacs)

Unsecured bank overdraft facility, reviewed annually and payable at call

	As at March 31, 2018	As at March 31, 2017
Amount used	2,877.21	4,237.67
Amount unused	3,751.79	3,040.33



48 First time Ind AS adoption - Reconciliation

48.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016

(Amount ₹ in Lacs)

Particulars		Notes	As at March 31, 2017 (End of last period presented under Previous GAAP)			As at April 1, 2016 (Date of transition)		
			Previous GAAP	Ind AS Adjustments	As per Ind AS balance sheet	Previous GAAP	Ind AS Adjustments	As per Ind AS balance sheet
ASSETS								
(1) Non-Current Assets								
(a)	Property, Plant and Equipment	1, 2	18,502.73	(571.26)	17,931.47	17,381.58	(73.65)	17,307.93
(b)	Capital work-in-progress		169.11	-	169.11	1,425.84	-	1,425.84
(c)	Intangible Assets		175.10	-	175.10	173.14	-	173.14
(d)	Financial Assets		-	-	-	-	-	-
(i)	Loans		156.65	-	156.65	153.72	-	153.72
(e)	Deferred Tax Assets (Net)		1,576.19	(130.81)	1,445.38	1,651.58	(102.02)	1,549.56
(f)	Other non-current assets	1, 2	770.76	597.69	1,368.45	483.30	64.69	547.99
(2) Current Assets								
(a)	Inventories		2,425.38	-	2,425.38	2,741.03	-	2,741.03
(b)	Financial Assets							
(i)	Investments	3	4,481.59	325.86	4,807.45	2,230.72	96.22	2,326.94
(ii)	Trade receivables		13,295.98	-	13,295.98	12,783.73	-	12,783.73
(iii)	Cash and cash equivalents		104.61	-	104.61	229.35	-	229.35
(iv)	Bank Balance other than (ii) above		95.48	-	95.48	126.62	-	126.62
(v)	Loans		74.75	-	74.75	79.82	-	79.82
(vi)	Other Financial assets		10.29	-	10.29	9.52	-	9.52
(c)	Current Tax Assets (net)		44.55	(28.18)	16.37	23.33	(6.14)	17.19
(d)	Other current assets	1, 2	706.38	39.26	745.64	977.49	15.42	992.91
Total			42,589.55	232.56	42,822.11	40,470.77	(5.48)	40,465.29
EQUITY AND LIABILITIES								
Equity								
(a)	Equity Share Capital		1,000.00	-	1,000.00	1,000.00	-	1,000.00
(b)	Other Equity	2,3,4	24,035.60	251.17	24,286.77	20,858.94	10.94	20,869.88
Liabilities								
(1) Non-Current Liabilities								
(a)	Financial Liabilities							
(i)	Borrowings		2,889.48	-	2,889.48	4,607.20	-	4,607.20
(ii)	Other Financial liabilities		-	-	-	-	-	-
(b)	Provisions	4	635.55	(18.61)	616.94	644.29	(16.42)	627.87
(d)	Other non-current liabilities		-	-	-	-	-	-
(2) Current Liabilities								
(a)	Financial Liabilities							
(i)	Trade payables		10,295.79	-	10,295.79	9,312.79	-	9,312.79
(ii)	Other Financial liabilities		2,902.57	-	2,902.57	2,649.50	-	2,649.50
(iii)	Borrowings		59.82	-	59.82	781.61	-	781.61
(b)	Other current liabilities		279.77	-	279.77	223.08	-	223.08
(c)	Provisions		490.97	-	490.97	393.36	-	393.36
(d)	Current Tax Liabilities (net)		-	-	-	-	-	-
Total			42,589.55	232.56	42,822.11	40,470.77	(5.48)	40,465.29

48.2 Reconciliation of total equity as on March 31, 2017 and April 1, 2016

(Amount in ₹)			
Particulars	Notes	End of last period presented under Previous GAAP As at March 31, 2017	Date of transition As at April 1, 2016
Total equity (Shareholder's funds) under previous GAAP		24,035.60	20,858.94
Adjustments:			
Amortisation of lease rent	2	-	(20.74)
Impact of recognition of assets under Ind AS	2	37.51	21.06
Financial assets carried at Fair Value through Profit or Loss	3	325.87	96.22
Impact of discounting of Warranty Provisions	4,7	18.61	16.43
Taxes on above adjustments		(130.82)	(102.02)
Total adjustments to equity		251.17	10.94
Total equity under Ind AS		24,286.77	20,869.88

48.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

(Amount in ₹)				
Particulars	Notes	Previous GAAP	Ind AS Adjustments	As per Ind AS
Revenue from operations	2,5	84,992.74	7,976.66	92,969.40
Other income	3	336.84	229.64	566.48
Total income		85,329.58	8,206.30	93,535.88
EXPENSES				
Cost of Material Consumed		63,856.81	-	63,856.81
Changes in inventories of finished goods and work-in-progress		(187.75)	-	(187.75)
Excise Duty	5	10.22	7,960.20	7,970.42
Employee Benefits Expense	6	5,588.71	(58.86)	5,529.85
Finance Costs	7	546.08	4.34	550.42
Depreciation and amortization expense	2	1,741.27	(21.65)	1,719.62
Other Expenses	4	9,692.85	(5.59)	9,687.26
Total expenses		81,248.19	7,878.44	89,126.63
Profit before tax		4,081.39	327.86	4,409.25
Tax expense:				
(a) Current tax relating to:				
- current year		944.03	-	944.03
- earlier years		(114.70)	-	(114.70)
(b) Deferred tax	6	75.39	49.16	124.55
Profit for the year		3,176.66	278.70	3,455.36
Other comprehensive income (OCI)				
(a) Items that will not be reclassified to profit or loss				
(i) Re-measurement of the defined benefit plans	6	-	(58.86)	(58.85)
- tax impact	6	-	20.37	20.37
Total Other Comprehensive Income		-	(38.49)	(38.48)
Total comprehensive income for the year		3,176.66	240.21	3,416.88

48.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

(Amount in ₹)

Particulars	Notes	As at March 31, 2017 (End of last period presented under Previous GAAP)
Profit as per previous GAAP		3,176.66
Adjustments:		
Amortisation of lease rent	1,2	20.74
Impact of recognition of assets under Ind AS	2	16.45
Financial assets carried at Fair Value through Profit or Loss	3	229.64
Impact of discounting of Warranty Provisions	4,7	2.17
Re-measurement of defined benefit plans	6	58.85
Impact of taxes on above		(49.16)
Total effect of transition to Ind AS		278.70
Profit as per Ind AS		3,455.36
Re-measurement of defined benefit plans (net of tax)		(38.48)
Total Comprehensive Income under Ind AS		3,416.88

Explanatory notes to reconciliation are as under:

1. Reclassification of leasehold land

Under Previous GAAP, leasehold land was shown as part of Property, Plant and Equipment but were not amortised till the transition date, whereas under Ind AS Lease hold land are considered as operating leases and therefore are shown as prepayments. As on the transition date April 1, 2016 an amount of ₹ 73.65 Lacs has been decapitalised and shown as prepayments under Ind AS. Similarly an amount of ₹ 592.92 Lacs has been shown as prepayments as at March 31, 2017. This reclassification has no impact on equity.

2. Prior period items

Under Previous GAAP, prior period items were reflected as part of current year expense or income in the Statement of Profit and Loss. Under Ind AS, material prior period items are adjusted to the period to which they relate and in case they relate to the period earlier than period presented, these are adjusted against opening equity of the earliest period presented. Accordingly, amortisation of lease hold land of ₹ 20.74 Lacs has been adjusted against equity as on the transition date i.e. April 1, 2016 resulting in the increase in profit before tax for the year ended March 31, 2017. Export incentive for MEIS scheme amounting to ₹ 21.06 Lacs is recognised and added in equity as on the transition date i.e. April 1, 2016. Further, for the year 2016-17, export incentive of ₹ 16.45 Lacs has been recognised in Revenue from Operations resulting in the increase in profit before tax for the year ended 31st March, 2017. Similarly, Exports Incentive receivable under other current assets are shown at ₹ 21.06 Lacs and ₹ 37.51 Lacs as at April 1, 2016 and March 31, 2017 respectively.

3. Fair Value of Investments

Under previous GAAP, Mutual Funds Investments were carried at cost and only mark to market losses were recognised in Statement of Profit and Loss. Under Ind AS, Mutual Funds Investments are fair valued at the period end and resulting mark to market loss or gain is transferred to Statement of Profit and Loss. Net income of ₹ 96.22 Lacs has been recognised as on the transition date i.e. April 1, 2016 and ₹ 229.64 Lacs for the year ended March 31, 2017. These adjustments have resulted in the increase in investments as at April 1, 2016 and March 31, 2017 and increase in equity and other income as at April 1, 2016 and for the year ended March 31, 2017 respectively.

4. Discounting of Warranty Provisions

Under previous GAAP, discounting of provisions was not required whereas under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. The Company has remeasured warranty provisions at the transition date. This has resulted in decrease of warranty provisions by ₹ 16.42 Lacs and ₹ 6.51 Lacs as at transition date i.e. April 1, 2016 and March 31, 2017 respectively. The net effect of such change is increase in equity by ₹ 16.42 Lacs as at April 1, 2016 and increase in profit before tax by ₹ 2.17 Lacs for the year ended March 31, 2017.

5. Excise Duty

Under Previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty and the excise duty paid is presented on the face of Statement of Profit and Loss as part of expenses. This has resulted in an increase in total revenue and total expenses by ₹ 7,960.20 Lacs for the year ended March 31, 2017. This reclassification has no impact on equity.

6. Re-measurement of defined benefit plans

Under Ind AS 19 Employee Benefits, re-measurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of in Profit before tax. Under the Previous GAAP, these re-measurements were forming part of Profit before tax for the year. As a result, Actuarial gains and losses of defined benefit plans amounting to ₹ 58.85 Lacs (deferred tax impact ₹ 20.37 Lacs) have been recognised in Other Comprehensive Income. Accordingly re-measurement loss for 2016-17 amounting to ₹ 58.85 Lacs has been adjusted from Employee Cost resulting in corresponding increase in Net Profit after tax. This reclassification has no impact on equity.

7. Unwinding of Warranty Provisions

Under the Previous GAAP, discounting of provisions was not required whereas under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. The unwinding of discount on warranty provisions has been recognized in the Statement of Profit and Loss as finance cost i.e. ₹ 4.34 Lacs for the year ended March 31, 2017.

49 After the balance sheet date and before approval of financials by Board of Directors, the Company has acquired 55% of shareholding in Indutch Composites Technology Private Limited having face value of ₹ 10 each for a consideration of ₹ 521.54 Lacs. By virtue of this investment, Indutch Composites Technology Private Limited has become a Subsidiary of the Company.

50 The financial statement of the Company are approved by the Board of Directors on May 28, 2018.

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 112894W

Vishal P. Doshi
Partner
Membership No. 101533

Place : Waghodia, Vadodara
Date : May 28, 2018

S. K. Sharma
Chief Financial Officer

Rakesh Johari
Company Secretary

For and on behalf of the Board of Directors

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anuj Munjal Vikram Shah
Whole Time Director Chairman Audit Committee
DIN - 02714266 DIN - 00007914

Place : Waghodia, Vadodara
Date : May 28, 2018



CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance with the law and adherence to ethical standards to achieve the Company's objectives aimed at enhancing the shareholder's value and discharging social responsibilities. Our Governance process should ensure optimum utilisation of resources to meet the aspirations of our stakeholder's aspirations and expectations of our society.

We remained resolute in our commitment to conduct business in accordance with the highest ethical standards and the soundest corporate governance practices. The Company strongly believes in achieving the objectives of enhanced shareholder's value and increased stakeholder's interest through good corporate governance.

A Report on compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) 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 stakeholder's value and other stakeholder's interest are met.

The Chairman cum Managing Director and Whole Time Directors are the Executive Directors looking after the day-to-day 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 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 9 Directors as on 31st March 2018. 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 3 listed companies and none of Non-Executive Directors is an Independent Director in more than 7 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 listed entities.

b. Board Procedure

A detailed Agenda folder containing items of business to be transacted is sent to each Director in advance of the Board Meeting 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 appraises 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, significant labour issues, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and major write backs/impairment etc. and approves quarterly/half years/ annual results, 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

Five Board meetings were held in FY 2017-18 on May 22, 2017, August 10, 2017, November 13, 2017, January 29, 2018 & March 17, 2018 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 2017-18		Attendance at last AGM held on June 30, 2017	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	5	5	Yes	1	1	None
Mrs. Anju Munjal	5	5	Yes	1	None	None
Mr. Anuj Munjal	5	5	Yes	1	1	None
Non Executive and Independent Directors						
Mr. Vikram Shah	5	5	Yes	1	1	1
Mr. Naresh Kumar Chawla	5	4	No	1	1	1
Mr. Mahendra Sanghvi	5	4	Yes	3	3	1
Mr. Ramkisan Devidayal	5	5	Yes	3	4	2
Mr. Sudesh Kumar Duggal	5	5	Yes	1	None	None
Mr. Jal Ratanshaw Patel	5	3	No	5	2	5

* As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/chairmanships of the 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 decisions 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 of time in developing the business strategy and annual business plan.
- The Board clearly defines 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 the Company's mission/vision.

e. Director seeking re-appointment

In accordance with the Section 152 of Companies Act, 2013, one-third of the Executive Directors retire by rotation and, if eligible, offer themselves for re-election at the Annual General Meeting of shareholders. Accordingly, Mr. Sudhir Kumar Munjal, Director of the Company, will retire in the ensuing Annual General Meeting.

In accordance with section 196, 197 and other applicable provision of Companies Act, 2013 and rules mentioned thereunder the tenure of Mr. Sudhir Kumar Munjal, Chairman & Managing Director (CMD) of the Company will expire on October 28, 2018. Mr. Sudhir Kumar Munjal, CMD being eligible offers himself for re-appointment for the period of 5 years from October 29, 2018 to October 28, 2023 at the 33rd Annual General Meeting subject to approval of shareholders by means of Special Resolution.

The Board has recommended the reappointment of Mr. Sudhir Kumar Munjal for tenure of 5 years and as a retiring Director.

Brief profile of Mr. Sudhir Kumar Munjal is provided as part of the Notice of the 33rd AGM forming part of this Annual Report.

f. Code of Conduct

The Company has formulated Code of Conduct for Board Members and senior management personnel of the Company. Board members and senior management Personnel have confirmed their compliance with Code of Conduct for the year ended 31st March, 2018.

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 31st March, 2018.

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 appointee(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 enables review of remuneration policies.

b. Remuneration paid/payable to Executive Directors and Non-Executive Directors for the year ended March 31, 2018

Following is the remuneration paid/payable to the Executive Directors and Non-Executive Directors of the Company during the year ended March 31, 2018.

(Amount in ₹)

Name of Directors	Basic Salary	Benefits, Perquisites and allowances	Commission	Sitting Fee & allowance	Total	Notice period (in days)
Mr. Sudhir Kumar Munjal	1,20,00,000	1,20,00,000	-	-	2,40,00,000	180
Mrs. Anju Munjal	1,05,00,000	1,05,00,000	-	-	2,10,00,000	180
Mr. Anuj Munjal	1,05,00,000	1,05,00,000	-	-	2,10,00,000	180
Mr. Vikram Shah	-	-	-	4,72,000	4,72,000	-
Mr. Naresh Kumar Chawla	-	-	-	3,40,000	3,40,000	-
Mr. Mahendra Sanghvi	-	-	-	3,60,000	3,60,000	-
Mr. Ramkisan Devidayal	-	-	-	3,80,000	3,80,000	-
Mr. Sudesh Kumar Duggal	-	-	-	2,20,000	2,20,000	-
Mr. Jal Ratanshaw Patel	-	-	-	1,40,000	1,40,000	-

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 & Rules mentioned thereunder.

The Company's Audit Committee functions under the Chairmanship of Mr. Vikram Shah. Four Audit Committee meetings were held on May 22, 2017, August 10, 2017, November 13, 2017 & January 29, 2018 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given below:-

Name of Committee Members	Position held	No. of Meetings during FY 2017-18	
		Held	Attended
Mr. Vikram Shah	Chairman	4	4
Mr. Naresh Kumar Chawla	Member	4	3
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 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 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 of the Company.

One Nomination & Remuneration Committee meeting was held on May 22, 2017 during the F.Y. 2017-18. The attendance record of the Nomination & Remuneration Committee is given below:-

Name of Director	Position held	No. of Meetings during the year 2017-18	
		Held	Attended
Mr. Mahendra Sanghvi	Chairman	1	1
Mr. Naresh Kumar Chawla	Member	1	1
Mr. Vikram Shah	Member	1	1
Mr. Sudhir Kumar Munjal	Member	1	1

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 fees 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 500 shares & Mrs. Anju Munjal holds 622 shares respectively as on March 31, 2018.

c. Stakeholder's 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 22, 2017, August 10, 2017, November 13, 2017 & January 29, 2018. The attendance record of members of the Stakeholders Relationship Committee is given below:-

Name of Director	Position held	No. of Meetings during FY 2017-18	
		Held	Attended
Mr. Naresh Kumar Chawla	Chairman	4	3
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 31.03.2018 and all requests for dematerialization and re-materialization of shares as on that date were confirmed into the NSDL / CDSL system.

COMPLAINTS / REQUESTS RECEIVED AND REDRESSED DURING FY 2017-18

Nature of Complaint / Query	Received	Resolved	Pending
1. Non receipt of dividend	192	192	-
2. Dematerialization of shares/ Transmission of shares/ Name deletion	67	67	-
3. Letters received from SEBI / Stock Exchanges / other statutory bodies	9	9	-
4. Loss of Shares / Issue of duplicate certificates	9	9	-
5. Exchange of New Certificate	5	5	-
6. Miscellaneous queries	32	32	-
7. Non Receipt of Annual Report	19	19	-
8. Bonus Shares	3	3	-
Total	336	336	-

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 13 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 Committee formulates and recommend to the Board, a Corporate Social Responsibility Policy and monitors and reviews the same and determines 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.

During the year, one meeting was held on May 22, 2017. The attendance record of members of the CSR Committee is given below:-

Name of Committee Members	Position held	No. of Meetings during FY 2017-18	
		Held	Attended
Mr. Vikram Shah	Chairman	1	1
Mr. Naresh Kumar Chawla	Member	1	1
Mr. Sudhir Kumar Munjal	Member	1	1
Mrs. Anju Munjal	Member	1	1
Mr. Anuj Munjal	Member	1	1

f. Independent Directors Meeting

During the year under review, the Independent Directors met on March 17, 2018 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 FY 2017-18	
		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 statement in the summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.
- There are no material individual transactions with related parties, which are not in the normal course of business and material individual transactions with related parties or others which are not on arm's length basis.



- (iii) During the financial year 2017-18, there were no materially significant transactions entered into between the Company and its Promoter, Directors or the Management, 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 formulated 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 the shares of the Company and cautioning them of the consequences of violations.

d. Share holder Information

1. Annual General Meeting

Date	August 25, 2018
Day	Saturday
Time	3.00 PM
Venue	Registered Office of the Company: 187, GIDC Industrial Estate, Waghodia - 391760, Dist. Vadodara

2. Book Closure

The dates of book closure shall be from Monday, August 20, 2018 to Saturday, August 25, 2018 (both days inclusive).

3. Date of Dividend Payment

The Board has recommended a final dividend @ 60% i.e. ₹ 1.20 per share for FY 2017-18.

The dividend recommended by the Directors for the year ended March 31, 2018, if declared at the ensuing AGM, will be paid by September 24, 2018 to those members, whose names appear in the register of members/depository records as at the close of business hours on Friday, August 17, 2018.

4. Financial Year of the Company

Financial of the Company begins from 1st April every year and ends on 31st March of subsequent year:

Financial reporting for the quarter ending	
Jun 30, 2018	On or before Aug 14, 2018
Sep 30, 2018	On or before Nov 14, 2018
Dec 31, 2018	On or before Feb 14, 2019
Mar 31, 2019	On or before May 30, 2019

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

Unitech Business Zone, 2nd Floor, Tower C,
Nirvana Country, South City-2, Sector-50, Gurugram-122018
Tel: (0124) 4057891/4057892, Tel: (0124) 4369506

7. Listing of Equity Shares on Stock Exchange

Listing Fees

Listing fees for the year 2018-19 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

The securities of the Company are listed on the following exchanges:

Name of Stock Exchange	Address
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
National Stock Exchange of India Limited (NSE)	'Exchange Plaza', Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

8. Stock Code

The Company's stock codes on the above stock exchanges are:

BSE Limited (BSE)	520059
National Stock Exchange of India Limited (NSE)	MUNJALAU
The ISIN of the Company is INE 672B01032.	

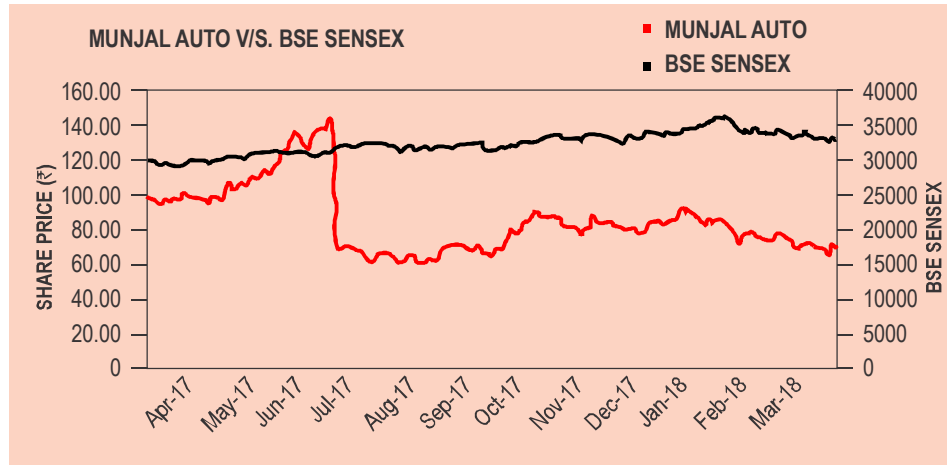
9. Stock Market Data

Monthly high and low stock quotations and volumes during the financial year 2017-18 on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

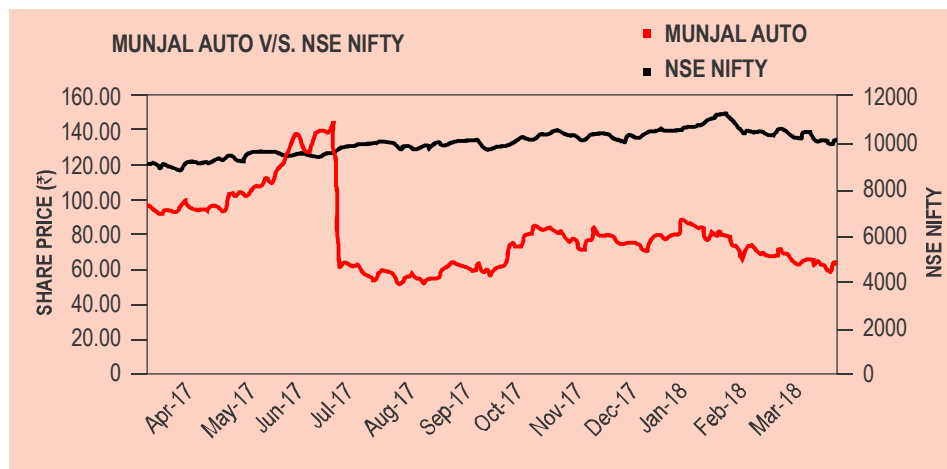
SHARE PRICE DATA (NSE & BSE)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
April 2017	106.20	96.80	2,73,698	106.45	96.60	16,69,207
May 2017	114.25	97.90	6,56,474	114.00	98.10	30,58,889
June 2017	142.00	110.80	11,70,503	142.20	110.20	48,50,338
July 2017	153.00	63.90*	11,96,867	152.70	63.90*	44,25,037
August 2017	71.50	59.20	4,46,192	71.70	59.00	23,37,806
September 2017	74.60	64.50	9,35,622	74.35	64.35	39,02,943
October 2017	93.90	65.05	18,04,723	94.10	69.00	92,64,730
November 2017	92.20	79.00	5,37,059	92.40	78.55	26,39,166
December 2017	89.20	75.10	4,49,459	89.40	74.55	27,66,774
January 2018	97.60	82.15	8,60,200	98.35	82.55	47,00,514
February 2018	86.00	71.60	3,28,115	84.95	70.00	15,82,609
March 2018	81.00	66.15	3,08,532	80.30	66.00	13,33,491

COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX



COMPANY'S SHARE PRICE MOVEMENT VIS A VIS NSE NIFTY



* The steep downfall in the share prices of the Company in BSE / NSE charts is mainly due to issue of Bonus shares by the Company in ratio 1:1 on July 13, 2017.

10. Registrar and Transfer Agent ('RTA')

All work related to share registry, both in physical form and electronic form, is handled by the Company's RTA, MCS Share Transfer Agent Limited. The communication address of the RTA is given hereunder:

MCS Share Transfer Agent Limited

Neelam Apartments, 1st Floor, 88 - Sampatrao Colony, Above Chappanbhog Sweets, Alkapuri, Vadodara- 390 007, Gujarat
Tel.: +91 265 2350490/ 2314757, Fax: +91 265 2341639
E-mail: mcsitdbaroda@gmail.com

11. Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to the Company's RTA.

Share Transfer Committee is authorised to approve transfer of shares in the physical segment. Such transfers generally take place on fortnightly basis. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Practising Company Secretary, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the same with the Stock Exchanges.

The total number of shares transferred/transmitted in physical form during the year 2017-18 was 38,250 shares.

12. Distribution of Shareholding as on 31st March, 2018

Distribution of Shareholding by number of shares held & Shareholding Pattern in percentage pursuant to Regulation 31(1)(b) of LODR as on March 31, 2018 are given below:

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	20,121	75.37	37,11,175	3.71
501 – 1000	3,060	11.46	26,37,009	2.64
1001 – 2000	1,589	5.95	25,91,315	2.59
2001 – 3000	705	2.64	18,31,439	1.83
3001 – 4000	262	0.98	9,68,557	0.97
4001 – 5000	339	1.27	16,37,747	1.64
5001 – 10000	349	1.31	26,91,603	2.69
10001 – 50000	240	0.90	48,63,165	4.86
50001 – 100000	16	0.06	12,17,575	1.22
100001 & above	15	0.06	7,78,50,415	77.85
Total	26,696	100.00	10,00,00,000	100.00

13. Shareholding Pattern as on 31st March, 2018

Category	Holders (No.)	No. of Equity Shares held	Percentage of holding
PROMOTER HOLDING			
Indian promoters	1	7,48,06,450	74.81
Total of promoter holding	1	7,48,06,450	74.81
NON PROMOTER HOLDING			
Institutional investors			
- Mutual funds	5	52,511	0.05
- Banks, financial institutions	7	69,065	0.07
- Foreign Portfolio Investors	1	29,783	0.03
Others			
- Private Corporate bodies	508	24,38,932	2.44
- Indian public	25,040	2,01,64,395	20.17
- NRIs	425	6,63,897	0.66
- Trust	4	7,900	0.01
- HUF	704	11,44,497	1.14
- IEPF	1	6,22,570	0.62
Total of non promoter holding	26,695	2,51,93,550	25.19
Grand total	26,696	10,00,00,000	100.00

14. Dematerialization of Shares

Equity shares of the Company, which are under compulsory dematerialization list, are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2018, a total of 9,80,48,830 equity shares of the Company, forming 98.05% of the total paid up equity share capital, stands dematerialized. All requests for dematerialisation of shares are processed within the stipulated time.

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

Not applicable

16. Plant Locations

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

17. Address for Correspondence

For queries relating to

Shares and Dividend

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

Financial Statements

Mr. S.K. Sharma
Chief Financial Officer,
Munjal Auto Industries Limited
Unitech Business Zone, 2nd Floor, Tower C,
Nirvana Country, South City-2,
Sector-50, Gurugram-122018
Tel: (0124)4057891/4057892
Fax: (0124) 4369506
E-mail: sksharma@munjalauto.com

6. Other Disclosures

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

Financial year (ended)	Date	Time	Venue	Summary of Special Resolution(s) passed for
Mar 31, 2017	June 30, 2017	3.00 p.m	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat India	Adoption of new set of Articles of Association of the Company in line with the Companies Act, 2013.
Mar 31, 2016	August 27, 2016	3.00 p.m.	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat India	(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.
Mar 31, 2015	August 22, 2015	3.00 p.m.	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat India	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.

b. Postal Ballot

The Board of Directors in its meeting held on March 17, 2018 has passed the resolution for amendment of Memorandum of Association of the Company which is subject to approval of Share Holders to be passed through Postal Ballot. The Company had dispatched the postal ballot for physical shareholders and email the Notice to shareholders registered for the same on April 09, 2018. Aforesaid resolution was approved by members on May 12, 2018 with assent of 99.99%.

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 30 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 approved by the Board of Directors.

Quarterly, half-yearly and annual results are published in prominent daily newspapers 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 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.



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

Ref: Secretarial Audit Report dated 25th May, 2018 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 25, 2018
Place : Vadodara

CFO CERTIFICATE

I hereby certify to the Board that:

- (a) We have reviewed Financial Statements including the Statement of Cash Flows of Munjal Auto Industries Limited ("the Company") for the year ended 31st March, 2018, 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 Indian 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) that there were no significant changes in Internal Control over financial reporting during the year;
 - (ii) the significant changes in accounting policies made during the year pursuant to the adoption of Indian Accounting Standards prescribed vide Companies (Indian Accounting Standards) Rules, 2015 (as amended) and its disclosure in the notes to the financial statements; and
 - (iii) that there were no instances of significant fraud of which we have become aware.

For Munjal Auto Industries Limited

Date : May 28,2018
Place : Waghodia, Vadodara

S K Sharma
Chief Financial Officer



INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF MUNJAL AUTO INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Munjal Auto Industries Limited ("the Company") for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Auditors Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable during the year ended 31st March, 2018.
8. 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.

Restrictions on use

9. This Certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place : Waghodia, Vadodara
Date : 28th May, 2018



**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 33rd Annual General Meeting (AGM) of the Members of MUNJAL AUTO INDUSTRIES LIMITED will be held on Saturday, the 25th August, 2018, at 3.00 p.m. at the Registered Office of the Company at 187, GIDC Industrial Estate, Waghodia – 391 760, Dist: Vadodara, to transact the following businesses :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 31st March, 2018, together with the Reports of the Board of Directors' and the Auditors' thereon.
2. To declare a final dividend of 60% i.e. Rs. 1.20 per equity share on 10,00,00,000 equity shares of Face Value of Rs. 2/- each for financial year 2017-18.
3. To appoint a Director in place of Mr. Sudhir Kumar Munjal (DIN 00084080) 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 for the remaining period of four years out of their term of five years and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company and authorise the Board of Directors to fix their remuneration."

SPECIAL BUSINESS

5. **TO APPROVE RE-APPOINTMENT OF AND REMUNERATION PAYABLE TO MR. SUDHIR KUMAR MUNJAL AS A MANAGING DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and subject to the approval of Central Government, if necessary, Mr. Sudhir Kumar Munjal, be and is, hereby re-appointed as Managing Director of the Company for a period of five years w.e.f. October 29, 2018, even if he has already attained the age of 70 years, on the terms and conditions as set out in the Draft Agreement including remuneration as approved by the Nomination & Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors will have liberty to alter and/or vary the terms and conditions of the reappointment, including the terms of his remuneration, which shall not exceed the limits specified in Schedule V of the Companies Act, 2013 or any statutory modification(s) or reenactments thereof, as may be agreed between the Board of Directors and Mr. Sudhir Kumar Munjal.

RESOLVED FURTHER THAT in case of no profit or in adequacy of profits in any financial year during the currency of his tenure, the remuneration as aforesaid will be paid as minimum remuneration."

6. **TO APPROVE TO GRANT LOANS AND PROVIDE GUARANTEE/SECURITY IN CONNECTION WITH LOAN TAKEN OR TO BE TAKEN BY INDUTCH COMPOSITES TECHNOLOGY PRIVATE LIMITED, A SUBSIDIARY COMPANY**

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

"RESOLVED THAT pursuant to Section 185, 186 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and all other rules, regulations, notifications and circulars issued by the Ministry of Corporate Affairs in this regard and as amended from time to time, consent of the Company be and is hereby accorded to grant loans to and provide guarantee/security in connection with loan taken or to be taken by Indutch Composites Technology Private Limited (hereinafter referred to as 'ICTPL') not exceeding Rs. 125 Crores on the major terms and conditions as set out in the explanatory statement annexed to the notice convening this Annual General Meeting.



RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors, be and is, hereby authorized to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose including to delegate all or any of the above powers to any one or more of the key managerial personnel of the Company."

Place : Waghodia, Vadodara
Date : May 28, 2018

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

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

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, 20th August, 2018 to Saturday, 25th August, 2018 (both days inclusive) for the purpose of 33rd 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 i.e. M/s. MCS Share Transfer Agent Limited, Neelam Apartments, 1st Floor, 88, Sampatrao Colony, Above Chappanbhog Sweets, Alkapuri, Vadodara- 390 007, Gujarat, Tel No. :(0265)2350490/2314757, Fax: (0265) 2341639, E-mail: mcsitdbaroda@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 31st March, 2011, 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 2010-11 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
31.03.2011	24.09.2011	23.09.2018
31.03.2012	22.09.2012	21.09.2019
31.03.2013	10.08.2013	07.08.2020
31.03.2014	08.08.2014	07.08.2021
31.03.2015	22.08.2015	21.08.2022
31.03.2016*	23.03.2016	22.03.2023
31.03.2017	30.06.2017	29.06.2024

* Interim Dividend

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 33rd Annual General Meeting of the Company dated May 28, 2018 (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, August 18, 2018. The e-voting will commence at 9.00 a.m. on Wednesday, 22nd August, 2018 and will end at 5.00 p.m. on Friday, 24th August, 2018. 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 25th August, 2018 are provided in **Annexure A** of this Notice.
14. The Annual Report 2017-18, the Notice of the 33rd 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. **We would like to inform you that SEBI vide their circular dated April 20, 2018 directed that the Companies / their RTA shall preserve PAN/Bank details of the members holding shares in physical forms and if not available, the same must be obtained from them. Accordingly, separate communication is being sent to you for the purpose.**
16. **The SEBI, vide its Notification dated June 08, 2018 has mandated that with effect from December 05, 2018, only Dematerialized securities will be allowed to be transferred except for transmission or transposition of securities in all the listed companies. Members holding shares in physical form are requested to get the same dematerialised at the earliest.**
17. Pursuant to the provision of Section 124(6) of the Companies Act, 2013, and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund. The Company has also written to the concerned shareholders intimating them their particulars of equity shares due for transfer. No claim shall lie against the Company against the Company in respect of these equity shares after their transfer to Investor Education and Protection Fund. Upon transfer, the shareholders will be able to claim these equity shares only from Investor Education and Protection Fund Authority by making an online application, the details of which are available at www.iepf.gov.in. The Company has already transferred 6,22,570 shares (610 shareholders) to the designated account of IEPF in the month of December, 2017 in accordance with above Rules. These details are also available on the Company's website www.munjalauto.com.



PROCEDURE FOR E- VOTING

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

- (i) The voting period begins on Wednesday, 22nd August, 2018 (9.00 am IST) and ends on Friday, 24th August, 2018 (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, August 18, 2018 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.
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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 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 printed 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 No. of shares held by you as on the cut-off date i.e. 18 th August, 2018.

- (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 180726012** 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 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.
 - 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 22nd August, 2018, 9.00 a.m. and ends on 24th August, 2018, 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, 18th August, 2018, 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

C. Other Instructions:

- i. The e-voting period will commence on Wednesday, 22nd August, 2018 (9.00 am IST) and ends on Friday, 24th August, 2018 (5.00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 18th August, 2018, 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 18th August, 2018.
- 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 Friday, August 24, 2018 (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 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 Friday, August 24, 2018 (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 and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 33rd AGM of the Company on August 25, 2018 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

Having regard to the rich experience and valuable contributions of Mr. Sudhir Kumar Munjal to the Company, virtually since inception of the Company, even if he has already attained the age of 70 years, the Board of Directors of your Company at its meeting held on May 28, 2018 has reappointed Mr. Sudhir Kumar Munjal as a Managing Director of the Company w.e.f. October 29, 2018 to October 28, 2023 for a further period of five years pursuant to the Provisions of sections 196, 197, 203 read with Schedule V of the Act on the terms and conditions as set out in the Draft Agreement including the remuneration as approved by the Nomination and Remuneration Committee in its meeting held on May 28, 2018.

THE IMPORTANT TERMS AND CONDITIONS OF THE DRAFT AGREEMENT OF RE-APPOINTMENT OF MR. SUDHIR KUMAR MUNJAL AS A MANAGING DIRECTOR

1. He will continue to act as a Managing Director of the Company for a further period of five years commencing from October 29, 2018 and he shall perform the duties and exercise the powers hereinafter mentioned and also all such powers which from time to time may be assigned to or vested in him by the Board of Directors of the Company;
2. He will devote his whole time and attention during business hours to the business of the Company;
3. Whenever required by the Company, he will travel in India and elsewhere in connection with the business of the Company;
4. The Company to remunerate him in consideration of the performance of his duties as under:

- a) Basic Salary : Rs. 10,00,000/- p.m. with an authority to the Board to grant such further increases from time to time as it may deem fit, within the overall limit.
- b) Commission: He shall also be entitled to remuneration by way of commission which shall not exceed 5% of the yearly net profit of the Company, as calculated in the manner set out in section 197 and 198 of the Companies Act, 2013;
- c) Allowances:

Particulars	% of Basic Salary
House Rent Allowance	60%
Medical Allowance	10%
Electricity Allowance	10%
Professional Development Allowance	10%
Education Allowance	5%
Soft Furnishing Allowance	5%

- d) Perquisites:
 - I. Car Facility : Car facility with Driver to be used for the business of the Company;
 - II. Telephone : Free telephone facility at his residence to be used for the business of the Company;
 - III. Leave Travel Concession : For the appointee and his family once in a year incurred in accordance with any rules specified by the Company;
 - IV. Personal Accident Insurance : Actual premium to be paid by the Company;
 - V. Insurance of Household goods : Actual premium to be paid by the Company;
- e) Retiral benefits: (not to be included in the remuneration in case of absence or inadequacy of profit)
 - I. Company's contribution to Provident Fund and Superannuation or Annuity Fund: to the extent not taxable under the Income Tax Act, 1961
 - II. Gratuity : Payable at the rate not exceeding half a month's salary of each completed year of service
 - III. Leave Encashment at the end of the tenure of services of the Managing Director

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

5. Earned / Privilege Leave

On full pay and allowances but not more than one month's leave for every eleven months of service shall be allowed.

6. He will be entitled to:
- the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and
 - the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.
7. As long as he will function as Managing Director, no sitting fee to be paid to him for attending the meetings of the Board of Directors or committee(s) thereof.
8. Either party shall be entitled to terminate the Agreement by giving to the other party 180 days' notice in writing without showing any cause."
- Additional information required as per Schedule V to the Companies Act, 2013, relating to Item no. 5 of the Notice of Annual General Meeting.

(I) General information:

- Nature of Industry:
 - The Company is engaged in the manufacturing of Auto Component parts for two wheelers and four wheelers.
 - The Company's plants for manufacturing the Auto Component parts for two wheelers and four wheelers are fully operational.
- Financial performance based on given indicators:

(Rs. in Crore)

Particulars	2017-18	2016-17
Effective capital	236.08	233.69
Total Income	1,060.87	935.36
Profit after Tax	41.59	34.55

- Foreign investments or collaborators, if any: Nil

(II) Information about the Appointee Director:

- Background details of the Managerial Personnel: (a) Mr. Sudhir Kumar Munjal is an Arts Graduate and having more than 49 years of rich experience in bicycle/ automobile/engineering industry. He has served as Director of Munjal Auto Industries Limited during the period 1991 to 1993 & he assumed charge as Managing Director of the Company in 1993. During his tenure as Managing Director, he has successfully steered the change in focus of the business of the Company from Bicycle to Auto Components manufacturing, which resulted into turnaround of the Company in 1999-2000.
- Past remuneration: Details of the remuneration of Mr. Sudhir Kumar Munjal is set out in the Report of Corporate Governance of this Annual Report.
- Recognition or awards: The Company has no information to offer.
- Job Profile and suitability: Mr. Sudhir Kumar Munjal is steering operations and Management of the Company with all attendant responsibilities subject to the overall supervision, direction and control of the Board of Directors of the Company. Having regard to his rich and very vast experience and contributions made so far for the Company in parity with the job profile, your Directors are of the opinion that Mr. Sudhir Kumar Munjal is suitable to hold the position and proposed remuneration is reasonable.
- Proposed remuneration: Basic Salary Rs. 10,00,000/- p.m. along with allowance of Rs.10,00,000 and perquisites as mentioned in the draft agreement with an authority to the Board to grant such further increases from time to time as it may deem fit, within the overall limit.

III Other Information:

Not applicable, since the Company has adequate profits.

- Reasons for loss or inadequate profits: N.A.
- Steps taken or proposed to be taken for improvement: N.A
- Expected increase in productivity and profits in measurable terms: N.A.



(IV) Disclosures:

Disclosures under this sub-clause are mentioned in the Board's Report under the heading Corporate Governance.

A copy of Draft Agreement will be available for inspection between 10.a.m. to 12 noon on all working days except Saturdays and Sundays upto the date of Annual General Meeting

Hence 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 except Mr. Sudhir Kumar Munjal and his relatives viz. Smt. Anju Munjal and Mr. Anuj Munjal shall be deemed to be concerned or interested in the resolution except to the extent of their shareholding if any.

Item No. 6

The Audit Committee and Board of Directors of the Company at their respective meeting held on 28th May, 2018 have approved to grant loan to and provide guarantee/ security in connection with loan taken or to be taken by Indutch Composites Technology Private Limited (ICTPL), a subsidiary company, not exceeding Rs. 125 Crores in aggregate for meeting their financial requirements.

In terms of the of recently amended provisions of Section 185 of the Act, the Company may advance loans to, give any guarantee or provide any security in connection with any loan by any private company in which a director of the Company is a director or member, if it is approved by Special Resolution and such borrowing is utilized by private company for its principal business activities only.

Since Mr. Sudhir Kumar Munjal and Mr. Anuj Munjal, Directors of the Company are Directors of ICPTL also, ICPTL would be a person in whom directors of the Company are interested within the meaning of Section 185 of the Act.

Accordingly, your Directors recommend and seek your approval to the resolution as set out in the item no. 6 of the accompanying notice by way of Special Resolution.

None of the Directors / Key Managerial Personnel or their relatives except Mr. Sudhir Kumar Munjal and Mr. Anuj Munjal shall be deemed to be interested or concerned, financially or otherwise in the resolution.

Place : Waghodia, Vadodara

Date : May 28, 2018

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

Annexure A

Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard - 2, in respect of the Directors seeking appointment/re-appointment

Name of Director	Mr. Sudhir Kumar Munjal
DIN	00084080
Date of Birth	October 26, 1946
Brief Resume	Mr. Sudhir Kumar Munjal served as Director of Munjal Auto Industries Limited during the period 1991 to 1993 then he assumed charge as Managing Director of the Company in 1993. During his tenure as Managing Director, He has successfully steered the change in focus of the business of the Company from Bicycle to Auto Components manufacturing, which resulted into turnaround of the Company in 1999-2000. He has also been appointed as Chairman of the Company w.e.f. March 28, 2015. He possesses rich experience and expertise in engineering industry.
Qualification	Graduate in Arts
Experience and expertise in specific functional area	More than 49 years of rich experience in bicycle/ automobile/ engineering industry.
Terms and conditions of re-appointment	He is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. It is also proposed to reappoint him as a Managing Director for the period of 5 years w.e.f. October 29, 2018 on the major terms and conditions as appearing in the explanatory statement to the item no. 5 of accompanying notice.
Details of remuneration and remuneration last drawn	Details are mentioned in the Corporate Governance Report
Date on which first appointed on the Board	August 01, 1991
Details of shareholding in the Company	Nil
Relationship with other Directors/Key Managerial Personnel (if any)	Spouse of Mrs. Anju Munjal, Whole Time Director and father of Mr. Anuj Munjal, Whole Time Director.
Number of Board Meetings attended during the year	Details are mentioned in the Corporate Governance Report
Details of Directorships /Committee Chairmanship and Memberships in other Companies	As detailed herein below

Type of Company	Directorships held	Committee Membership	Committee Chairmanship
Private Limited Company	Thakur Devi Investments Private Limited	-	-
	Sara Investment Services Private Limited	-	-
	Fetlock Traders Private Limited		
	Indutch Composites Technology Private Limited	-	-



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 **Website :** www.munjalauto.com

CIN: L34100GJ1985PLC007958

33rd Annual General Meeting

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 **33rd 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 Saturday, the 25th August, 2018 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.

PROXY FORM
FORM NO. MGT-11

[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 & Venue of AGM	187, GIDC Industrial Estate, Waghodia, Vadodara - 391760
Date & Time of AGM	Saturday, August 25, 2018 at 3.00 PM
Name of the Member(s)	
Registered Address:	
E-Mail Id:	
Folio No./ DP ID & Client ID	

I/We, being the member (s) of shares of Munjal Auto Industries Limited, 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 **33rd Annual General Meeting** of the Company, to be held on **Saturday, the 25th August, 2018 at 3.00 p.m.** at the **Registered office of the Company at 187, GIDC Industrial Estate, Waghodia, Vadodara - 391 760** and at any adjournment(s) thereof, in respect of such resolutions as are indicated below:

Sr.No.	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements for the year ended on 31 st March, 2018, together with the Reports of the Board of Directors' and the Auditors' thereon.		
2.	To declare a final dividend of 60% i.e. Rs.1.20/- per equity share on 10,00,00,000 equity shares of Face Value of Rs.2/- each for financial year 2017-18.		
3.	To appoint a Director in place of Mr. Sudhir Kumar Munjal (DIN 00084080) 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 for the remaining period of four years out of their term of five years and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 37 th Annual General Meeting of the Company and authorise the Board of Directors to fix their remuneration.		
Special Business			
5.	To approve reappointment of and remuneration payable to Mr. Sudhir Kumar Munjal as a Managing Director of the Company for a period of five years w.e.f. October 29,2018. (Special Resolution)		
6.	To approve to grant loans and provide guarantee/security in connection with loan taken or to be taken by Indutch Composites Technology Private Limited, a Subsidiary Company. (Special Resolution)		

Signed this..... day of....., 2018

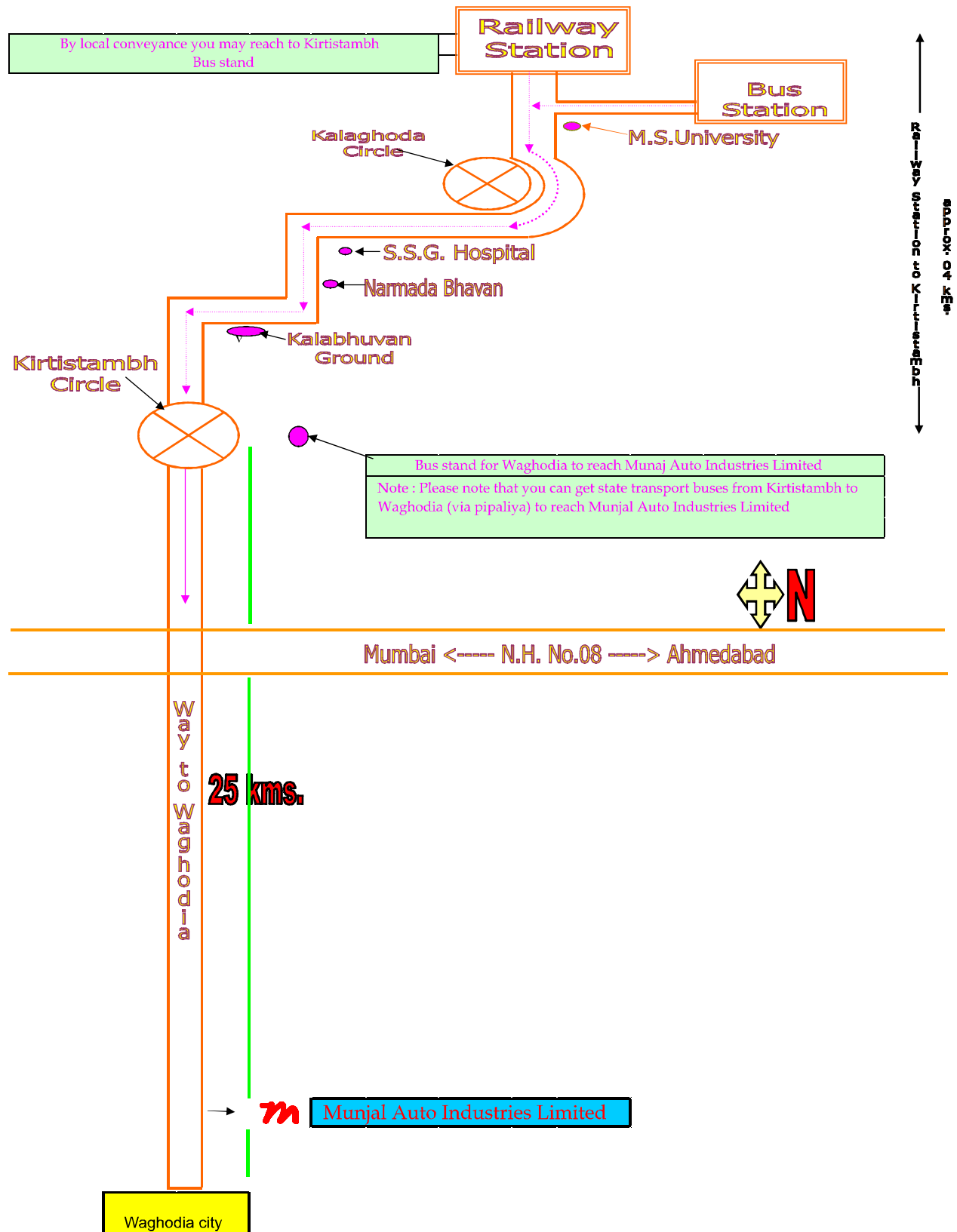
Signature of Member.....

Signature of Proxy holder(s)

Affix
₹ 1
Revenue
Stamp

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)





**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