

# **MUNJAL AUTO**

33<sup>rd</sup> Annual Report & Accounts 2017-18



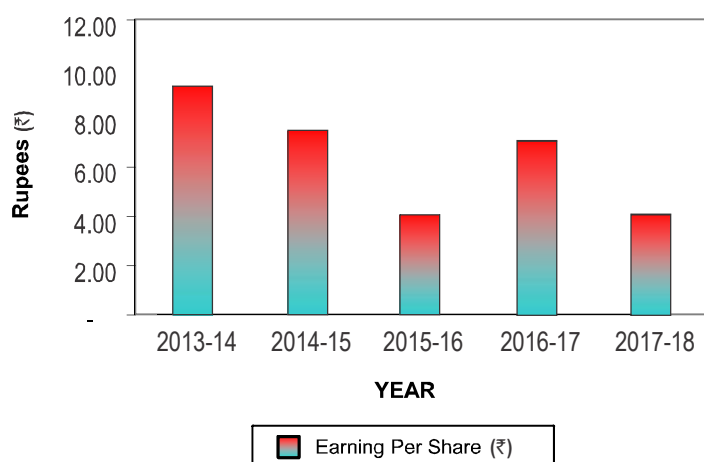
**Munjal Auto Industries Limited**

## FINANCIAL STATISTICS FIVE YEARS' TRACK RECORD

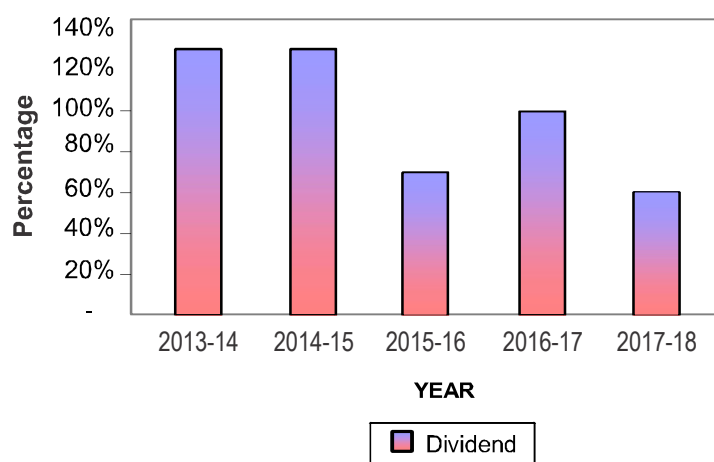
(₹ In Lacs)

	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 &amp; 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 OFFICE**Unitech Business Zone, 2<sup>nd</sup> 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 33<sup>rd</sup> 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 32<sup>nd</sup> 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 33<sup>rd</sup> 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 33<sup>rd</sup> 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 01<sup>st</sup> 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.
	<b>Total</b>			<b>70,00,000</b>	<b>70,00,000</b>	<b>70,00,000</b>	



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