

MUNJAL AUTO

34th Annual Report & Accounts 2018-19



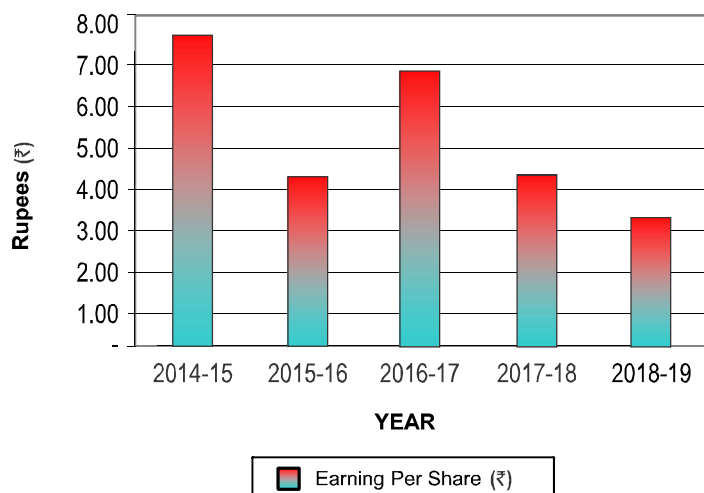
Munjel Auto Industries Limited

FINANCIAL STATISTICS FIVE YEARS' TRACK RECORD

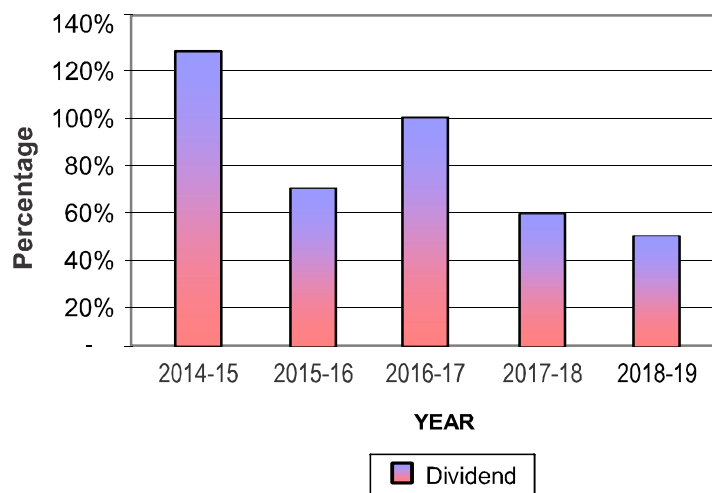
(₹ In Lacs)

	2014-15	2015-16	2016-17	2017-18	2018-19
Equity Share Capital	1,000	1,000	1,000	2,000	2,000
Reserves & Surplus	19,694	20,859	24,287	26,265	28,116
Deferred Tax Liability / (Assets)	779	979	(1,445)	(1,274)	(1,297)
Secured Loans	7,824	6,215	4,353	2,868	2,321
Total External Liability	12,548	11,413	14,627	18,309	20,850
Total Assets	41,845	40,465	42,822	48,168	51,990
Sales	97,278	97,163	93,536	1,06,087	1,15,089
YoY Growth	9.07%	-0.12%	-3.73%	13.42%	8.49%
Profit Before Interest, Depreciation & Tax (PBDIT)	7,276	4,931	6,679	7,692	6,539
Interest	863	794	550	433	381
Depreciation	1,483	1,666	1,720	1,819	1,875
Profit before Tax	4,929	2,471	4,409	5,441	4,283
Profit after Tax	3,803	2,008	3,455	4,159	3,325
Earnings Per Share (Rs.)	7.61	4.02	6.92	4.16	3.33
Dividend	125%	70%	100%	60%	50%

EARNING PER SHARE



DIVIDEND



EPS and Dividend figures of FY 2017-18 & 2018-19 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 34th Annual Report together with the audited financial statements for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2019 is summarized below: -

(₹ in Lacs)

Particulars	Standalone Year ended March 31, 2019	Standalone Year ended March 31, 2018	Consolidated Year ended March 31, 2019
Total Income	115,089.35	106,087.07	121,810.18
Profit before Finance Cost & Depreciation	65,38.99	76,92.46	73,23.41
Depreciation	(18,74.95)	(18,18.70)	(20,26.58)
Finance Cost	(380.92)	(432.73)	(427.99)
Profit before Taxation	42,83.12	54,41.03	48,68.84
Provision for Taxation (Deferred & Current)	(958.00)	(12,82.00)	11,38.72
Profit after Taxation	33,25.12	41,59.03	37,30.11
Profit from Continuing operations	33,25.12	41,59.03	37,30.11
Other Comprehensive Income / Expenses	(26.93)	22.76	(26.54)
Total Comprehensive Income	32,98.19	41,81.79	37,03.57
Profit for the year attributable to:			
- Owners of the Company	33,25.12	41,59.03	35,96.66
- Non-Controlling Interest	-	-	133.45
Other Comprehensive Income for the year:			
- Owners of the Company	(26.93)	22.76	(26.67)
- Non-Controlling Interest	-	-	0.13
Total Comprehensive Income for the year:			
- Owners of the Company	32,98.19	41,81.79	35,69.99
- Non-Controlling Interest	-	-	133.58
Surplus brought Forward	262,64.96	242,86.77	-
Balance carried to Balance Sheet	281,16.47	262,64.96	277,11.01
Earning Per Share (EPS)	3.33	4.16	3.73

STANDALONE PERFORMANCE

During FY 2018-19, total income of the Company was ₹ 1,151 Crores as compared to ₹ 1,061 Crores in FY 2017-18, registering an increase of 8.48%.

Profit before tax and profit after tax were ₹ 42.83 Crores and ₹ 33.25 Crores respectively during the current year as against ₹ 54.41 Crores and Rs. 41.59 Crores respectively in the previous year.

DIVIDEND

Your Directors have pleasure to recommend a dividend @ 50% i.e. ₹ 1.00/- on equity share of ₹ 2/- each for the financial year ended March 31, 2019. The dividend, if approved by the members in the ensuing Annual General Meeting, would absorb ₹ 1,000 lacs (₹ 1,200 lacs for Final Dividend for FY 17-18) out of the distributable profits available.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 ('the Act') and Indian Accounting Standard (Ind AS)-110 on Consolidated Financial Statements, the Audited Consolidated Financial Statement for the year ended March 31, 2019 is provided in this Annual Report.

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.

NO CHANGE IN SHARE CAPITAL

The paid up equity capital as on March 31, 2019 stood at ₹ 20 Crore consisting of 10 Crore Equity Shares of ₹ 2/- each with no change as compared to previous financial year.

APPOINTMENT/CESSATION OF DIRECTORS OR KMP

In terms of Section 152 and other applicable provisions, if any, of Companies Act, 2013, Mrs. Anju Munjal retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

In accordance with section 196, 197 and other applicable provision of Companies Act, 2013 and rules mentioned thereunder the tenure of Mrs. Anju Munjal and Mr. Anuj Munjal as Whole Time Directors of the Company will expire on September 28, 2019 and May 31, 2020 respectively. Mrs. Anju Munjal and Mr. Anuj Munjal, Whole Time Directors, being eligible offer themselves for re-appointment for the period of 5 years from September 29, 2019 to September 28, 2024 and June 01, 2020 to May 31, 2025 respectively at the 34th Annual General Meeting subject to approval of shareholders by means of Special Resolution.

First term of Mr. Vikram Shah, Mr. Ramkisan Devidayal, Mr. Mahendra Sanghvi, Mr. Naresh Kumar Chawla, Mr. Jal Ratanshaw Patel and Mr. Sudesh Kumar Duggal, Independent Directors will expire in ensuing Annual General Meeting. All Independent Directors,

being eligible offer themselves for re-appointment at the 34th Annual General Meeting subject to approval of shareholders.

Nomination & Remuneration committee as well as the Board has recommended the appointment of Mrs. Anju Munjal as director liable to retire by rotation and reappointment of Mrs. Anju Munjal and Mr. Anuj Munjal as also as Whole Time Directors for tenure of 5 years at the ensuing Annual General meeting.

Nomination & Remuneration committee as well as the Board has also recommended reappointment of Mr. Vikram Shah, Mr. Ramkisan Devidayal, Mr. Mahendra Sanghvi, Mr. Naresh Kumar Chawla, Mr. Jal Ratanshaw Patel and Mr. Sudesh Kumar Duggal as Independent Directors for second term.

Brief profile of Mrs. Anju Munjal, WTD, Mr. Anuj Munjal, WTD, Mr. Vikram Shah, Mr. Ramkisan Devidayal, Mr. Mahendra Sanghvi, Mr. Naresh Kumar Chawla, Mr. Jal Ratanshaw Patel and Mr. Sudesh Kumar Duggal is provided in the Notice of 34th Annual General Meeting forming part of this Report.

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'), the performance of the Board as a whole, and individual Directors, was evaluated by the Board seeking relevant inputs from all the Director. 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 Financial Year 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 ₹ 8.87 Lacs for FY 2010-11 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 review in accordance with the provisions of Section 135 of the Act was ₹ 78.76 lacs and the Company has spent ₹ 79.10 lacs during the financial year.

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 workplace. 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, 2019, 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, 2019 and of the profit of the Company for the financial year ended March 31, 2019 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, 2019 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 IN SECTION 188 OF THE COMPANIES ACT, 2013

There were no related party transactions entered into during the financial year within the meaning of Section 188 of Companies Act, 2013.

Further, during FY 2018-19, 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 COMPANY

Thakur Devi Investments Private Limited continues to be 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.

Munjal Auto Industries Limited has acquired 16,48,726 Equity Shares i.e. 55% stake in Indutch Composites Technology Pvt. Ltd.(ICTPL) on May 22, 2018 at a consideration of ₹ 521.93 Lacs. Subsequently the Company subscribed for 12,17,810 Equity Shares of ₹ 10/- each of ICTPL on Right basis raising the shareholding of the Company in ICTPL to 68%

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, if any, arising out of any industrial accidents. The Company has 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 30, 2018. The aforesaid rating is valid till June 30, 2019.

AUDITORS**(i) Statutory Auditors**

The auditors, K.C. Mehta and Co., Chartered Accountants, have been appointed in previous Annual General Meeting to hold office up to the conclusion of 37th Annual General Meeting in light of amendments made by Companies (Amendment) Act, 2017. They have furnished their consent and requisite eligibility certificate pursuant to the Act and rules mentioned there under in respect of their continuation pursuant to Section 139 of the Act for upcoming financial year 2019-20 & 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 2019-20 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 Pathak & Associates, Company Secretaries in practice to undertake the Secretarial Audit of the Company for FY 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2019 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 stakeholders' grievances and redressal 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 is annexed to this report at **Annexure B**.

CODE OF CONDUCT

The Board of Directors has approved amendment in the Code of Conduct of the Company in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018, which is applicable to the members of the Board and all employees in the course of day to day business operations of the Company w.e.f. April 01, 2019. The Code laid down by the Board is known as "Code of Practices and Procedure of Fair Disclosure" which forms an appendix to the code.

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2018-19.

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 workplace in business practices and dealing with stakeholders. All the Board members and the senior management personnel have confirmed their compliance with the Code. All management personnel are being provided appropriate training in this regard.



WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

PREVENTION OF INSIDER TRADING

The Company has adopted amended Code of Conduct for Prevention of Insider Trading in line with SEBI (Prohibition & Insider Trading) (Amendment) Regulation, 2018 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

Four meetings of the Board of Directors were held during the financial year 2018-19. 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

Details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure D**. There was no employee of the Company except Executive Directors, employed through out the year, who was in receipt of the remuneration exceeding ₹ 1.20 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 re-certified for Occupation, Health and Safety (OHSAS) 18001:2007 from Bureau Veritas during FY 2018-19, which is valid for upto 11th March, 2021.

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 & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF COMPANY, IF ANY, DURING THE PERIOD FROM MARCH 31, 2019 TO DATE OF 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, 2019 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 of 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

Date : May 22, 2019
Place : Waghodia, Vadodara

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080



ANNEXURE 'A' TO THE BOARD'S REPORT

Annual Report on CSR Initiatives

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

The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the web link <https://www.munjalauto.com/wp-content/uploads/2018/08/CSR-Policy.pdf>. The CSR policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the group and applicability, scope (area/localities to be covered and activities), resources, identification and approval process (resources/fund allocation, identification process and approval process) modalities of execution and implementation and monitoring.

2. 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: ₹ 39.38 Crore
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 78.76 Lacs
5. Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year: ₹ 78.76 Lacs

b) Amount spent: ₹ 79.10 Lacs

c) 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	2,50,000	2,50,000	2,50,000	Agency: Akshar Trust Vadodara, Gujarat
2	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
3	Health improvement	Health Care	Sabar Kaaantha, Gujarat	55,00,000	55,00,000	55,00,000	Agency : Vaanprastha Saadhak Aashram, Sabar Kaaantha, Gujarat
4	E-Rickshaw	Environmental Sustainability	Sabarkantha, Gujarat	2,59,986	2,59,986	2,59,986	Agency : Vaanprastha Saadhak Ashram, Sabarkantha, Gujarat
5	Assistance to be paid in case of accidents taking place in or outside State & related matters	Chief Minister of Gujarat Relief Fund - Kerala Flood Relief	Kerala	5,00,000	5,00,000	5,00,000	Agency: Revenue Department, Government of India.
6	Assistance for Kerala Flood Relief	Kerala Relief Fund	Kerala	2,00,000	2,00,000	2,00,000	Agency: CII Foundation
	Total			79,09,986	79,09,986	79,09,986	

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 22, 2019

Vikram Shah

Chairman-CSR Committee

DIN : 00007914

Sudhir Kumar Munjal

Chairman & Managing Director

DIN : 00084080