

# **MUNJAL AUTO**

37<sup>th</sup> Annual Report & Accounts 2021-22



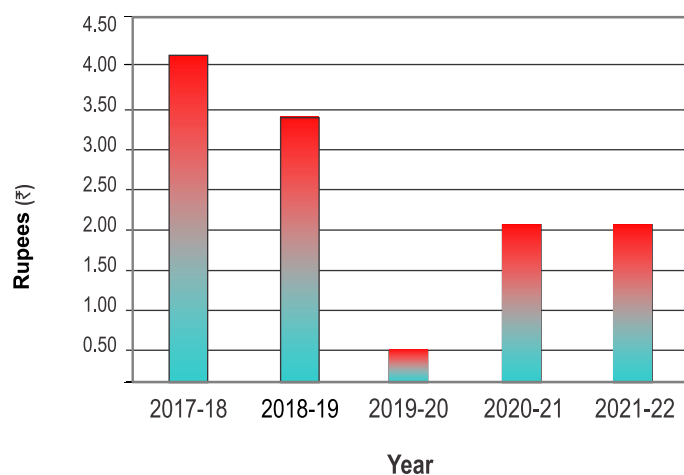
**Munjali Auto Industries Limited**

## FINANCIAL STATISTICS FIVE YEARS' TRACK RECORD

(Amount ₹ in Lakhs)

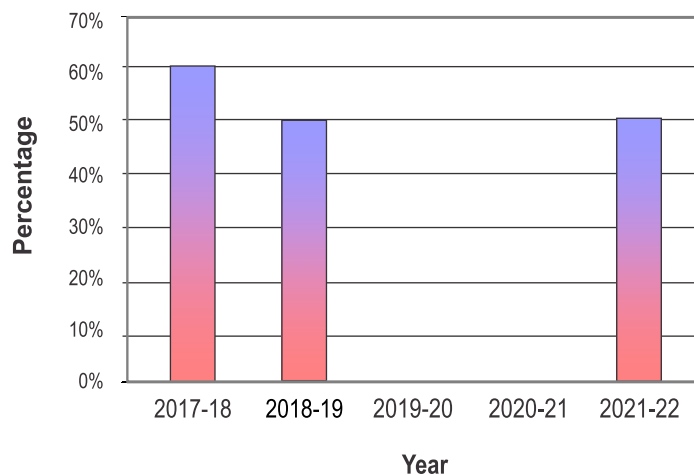
	2017-18	2018-19	2019-20	2020-21	2021-22
Equity Share Capital	2,000	2,000	2,000	2,000	2,000
Reserves & Surplus	26,265	28,116	27,374	29,536	31,633
Deferred Tax Liability / (Assets)	(1,274)	(1,297)	(1,247)	(659)	(269)
Secured Loans	2,868	2,321	8,020	6,870	4,763
Total External Liability	18,309	20,850	33,363	39,774	39,120
Total Assets	48,168	51,990	69,510	77,521	77,248
Sales	1,06,087	1,15,089	1,14,821	1,99,154	1,71,570
YoY Growth	13.42%	8.49%	-0.23%	73.45%	-13.85%
Profit Before Interest, Depreciation & Tax (PBDIT)	7,692	6,539	3,686	6,390	5,592
Interest	433	381	844	867	488
Depreciation	1,819	1,875	2,157	2,248	2,099
Profit Before Tax	5,441	4,283	685	3,275	3,004
Profit After Tax	4,159	3,325	494	2,103	2,081
Earning Per Share (Nominal value of ₹ 2/- each)	4.16	3.33	0.49	2.10	2.08
Dividend	60%	50%	-	-	50%

### Earning Per Share



■ Earning Per Share  
(Face value of ₹ 2 each)

### Dividend



■ Dividend

**CORPORATE INFORMATION****Munjal Auto Industries Limited**

CIN: L34100GJ1985PLC007958

**BOARD OF DIRECTORS****CHAIRMAN AND MANAGING DIRECTOR**

Mr. Sudhir Kumar Munjal

**WHOLE TIME DIRECTORS**

Mrs. Anju Munjal

Mr. Anuj Munjal

**DIRECTORS**

Mr. Vikram Shah

Mr. Naresh Kumar Chawla

Mr. Mahendra Sanghvi

Mr. Ramkisan Devidayal

Mr. Sudesh Kumar Duggal

Mr. Jal Ratanshaw Patel

Ms. Avi Sabavala

**CFO**

Mr. Brham Prakash Yadav

**COMPANY SECRETARY**

Mr. Rakesh Johari

**AUDITORS**

K. C. Mehta &amp; Co.

Chartered Accountants

Meghdhanush, Race Course,

Vadodara - 390007

**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 37<sup>th</sup> Annual Report together with the audited financial statements for the financial year ended March 31, 2022.

### 1. THE STATE OF COMPANY'S AFFAIRS:

#### (i) FINANCIAL RESULTS - STANDALONE AND CONSOLIDATED

The Company's financial performance for the year ended March 31, 2022 is summarized below: -

(Amount ₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	1,70,655.10	1,98,196.13	1,91,567.74	2,12,263.92
Other income	914.49	957.44	545.47	532.62
<b>Total Income</b>	<b>1,71,569.59</b>	<b>1,99,153.57</b>	<b>1,92,113.21</b>	<b>2,12,796.54</b>
<b>Profit before depreciation, exceptional item and tax</b>	<b>5,103.18</b>	<b>5,522.71</b>	<b>7,640.98</b>	<b>7,218.81</b>
(Less): Depreciation	(2,098.97)	(2,247.92)	(3,574.15)	(3,901.11)
(Less): Exceptional item	-	-	-	-
<b>Profit before Tax</b>	<b>3,004.21</b>	<b>3,274.79</b>	<b>4,066.83</b>	<b>3,317.70</b>
(Less): Taxation				
- Current year	(929.17)	(923.72)	(1,304.79)	(999.20)
- Earlier years	13.96	(6.46)	15.00	(6.46)
- Deferred tax	(8.46)	(241.99)	184.16	(267.98)
<b>Profit after tax</b>	<b>2,080.54</b>	<b>2,102.62</b>	<b>2,961.20</b>	<b>2,044.06</b>
<b>Attributable to:</b>				
Shareholders of the Company	2,080.54	2,102.62	2,679.39	2,062.80
Non-controlling interests	-	-	281.81	(18.74)
<b>Opening balance for retained earnings</b>	<b>27,698.98</b>	<b>25,522.85</b>	<b>27,154.35</b>	<b>25,091.55</b>
<b>Closing balance for retained earnings</b>	<b>29,779.52</b>	<b>27,698.98</b>	<b>29,833.74</b>	<b>27,154.35</b>
<b>Earnings per share (in ₹)</b>	<b>2.08</b>	<b>2.10</b>	<b>2.96</b>	<b>2.04</b>

#### (ii) STANDALONE FINANCIAL HIGHLIGHTS/SUMMARY

During FY 2021-22, total income of the Company was ₹ 1,716 Crores as compared to ₹ 1,992 Crores in FY 2020-21, showing drop of about 13.86%.

Profit before tax and Profit after tax were ₹ 30.04 Crores and ₹ 20.81 Crores respectively for the FY 2021-22 as against ₹ 32.75 Crores and ₹ 21.03 Crores respectively in the previous year.

#### (iii) CONSOLIDATED FINANCIAL HIGHLIGHTS/SUMMARY

During FY 2021-22, total income of the Company was ₹ 1,921 Crores as compared to ₹ 2,128 Crores in FY 2020-21, showing drop of about 9.72%.

Profit before tax and Profit after tax were ₹ 40.67 Crores and ₹ 29.61 Crores respectively for the FY 2021-22 as against ₹ 33.18 Crores and ₹ 20.44 Crores respectively in the previous year.

**2. PERFORMANCE AND CONTRIBUTION OF SUBSIDIARY****(i) PERFORMANCE OF SUBSIDIARY**

Revenue from operations of Indutch Composites Technology Private Limited (ICTPL) was ₹ 209.13 Crores in FY 2021-22 as against ₹ 140.68 Crores in the previous year.

Profit before tax and Profit after tax of ICTPL were ₹ 905.64 Lakhs and ₹ 723.67 Lakhs respectively during the current year as against ₹ 57.36 Lakhs and (-) ₹ 44.11 Lacs respectively in the previous year.

**(ii) CONSOLIDATED FINANCIAL STATEMENTS (INCLUDING CONTRIBUTION TO OVERALL PERFORMANCE OF THE COMPANY)**

The consolidated financial statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind AS) - 110 on Consolidated Financial Statements, Section 129 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") along with a separate statement containing the salient features of the financial performance of its subsidiary in the prescribed form. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report and reflect the contribution of the subsidiary to the overall performance of the Company.

**3. COVID-19 AND ITS IMPACT**

FY 2021-22 started on a weak note, with the second wave of the COVID-19 pandemic impacting sentiment and supply chain disruptions, which pushed up inflation. However, strong commitments from the Government and the apex bank to maintain the status quo on interest rates while maintaining enough liquidity aided the revival and seem to have set in motion a multi-year earnings growth cycle.

Your Directors have been periodically reviewing with the Management, the impact of Covid-19 on the Company.

The physical and emotional well being of employees continues to be a top priority for the Company, with several initiatives to support employees and their families during the pandemic.

**4. 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, 2022. The dividend, if approved by the members in the ensuing Annual General Meeting, would absorb ₹ 1,000 lakhs out of the distributable profits available.

Dividend Distribution Policy of the Company as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is available at the following link: <https://munjalauto.com/wp-content/uploads/2021/09/Dividend-Distribution-Policy.pdf>

**5. CHANGE IN NATURE OF BUSINESS**

During FY 2021-22, there was no change in the nature of Company's business.

**6. CAPACITY UTILIZATION & PLANT OPERATIONS**

During FY 2021-22, your Company focused on optimizing investments and ensuring business continuity to enhance market share across various platforms.

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.

**7. CHANGES IN CAPITAL STRUCTURE**

The paid-up equity capital as on March 31, 2022 stood at ₹ 20 Crore consisting of 10 Crore Equity Shares of ₹ 2/- each with no change as compared to previous financial year.

The Company has not issued any equity shares during the year. Accordingly, the Company is neither required to furnish any information in respect of issue of equity shares with differential rights pursuant to Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014 ('SCD Rules') nor in respect of issue of Employees Stock Option pursuant to Rule 12(9) of SCD Rules nor in respect of issue of Sweat Equity Shares pursuant to Rule 12(9) of SCD Rules. The Company has only one class of equity shares with face value of ₹ 2/- each, ranking pari-passu.

**8. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In terms of applicable provisions of the Act and the Articles of Association of the Company, Mrs. Anju Munjal, Director of the Company retires by rotation at the ensuing annual general meeting and being eligible, offers herself for re-appointment. Her reappointment is recommended by the Nomination and Remuneration Committee. Brief resume and other details of Mrs. Anju 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.

**9. ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS**

Annual evaluation of the performance of the Board, its Committees and of Individual Directors forms part of Corporate Governance Report.

**10. 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.



## 11. 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 smooth cash flow from operations.

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.

## 12. 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 Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity. The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of Annual Report.

Certificate of Corporate Governance and Non-Disqualification of Directors, issued by Secretarial Auditor of the Company is attached to the Corporate Governance Report as **Annexure II** and **Annexure III** respectively.

## 13. TRANSFER TO GENERAL RESERVE

The Company is not required to transfer any amount to its reserves. Accordingly, no amount has been transferred to General Reserve of the Company.

## 14. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company has transferred unpaid/unclaimed dividend amounting to ₹ 17.08 Lakhs for FY 2013-14 and related 89,160 shares to the Investor Education and Protection Fund Authority (IEPF) of the Central Government of India.

## 15. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in 'Annexure A' of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report. CSR Policy is available on the Company's website on [www.munjalauto.com](http://www.munjalauto.com).

The Company has spent ₹ 62.00 Lakhs as against 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 of ₹ 56.46 Lakhs.

## 16. POLICY RELATING TO PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place Anti Sexual Harassment 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. Internal complaints committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are supposed to adhere to and conduct themselves as prescribed in this policy. The summary of sexual harassment complaints received and disposed off during the financial year under review is as under:

- Number of Complaints Received - Nil
- Number of Complaints Disposed off - Nil

## 17. 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 for the year ended March 31, 2022.

## 18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the FY 2021-22, your 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 and have been disclosed in financial statements.

## 19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) In the preparation of the annual accounts financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they 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, 2022 and of the profit and loss of the Company for the financial year ended March 31, 2022 under review;



- c) they 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) they have prepared the annual accounts for the financial year ended March 31, 2022 on a going concern basis;
- e) they 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) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **20. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During FY 2021-22, there were no materially significant related party transactions entered into by the 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.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. All related party transactions are placed before the Audit Committee for its approval. During the year under review, the Audit Committee approved transactions through the omnibus mode in accordance with the provisions of the Act and Listing Regulations. Related party transactions were disclosed to the Board on regular basis as per Ind AS-24. Details of related party transactions as per Ind AS-24 may be referred to in Note 57 of the Standalone Financial Statements.

## **21. HOLDING/SUBSIDIARY COMPANY**

During the FY 2021-22, Thakurdevi Investments Private Limited (TDIPL) continues to be holding Company of the Company, holding 74.81% Equity Share Capital of the Company.

During the FY 2021-22, Indutch Composites Technology Pvt. Ltd. (ICTPL) continues to be subsidiary company. Munjal Auto Industries Limited continues to hold 68% Equity Share Capital of ICTPL. The annual accounts of subsidiary companies are available on the website of the Company viz. [www.munjalauto.com](http://www.munjalauto.com).

There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the holding or subsidiary.

## **22. AUDIT COMMITTEE RECOMMENDATIONS**

During the FY 2021-22, 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.

## **23. INTERNAL FINANCIAL CONTROL**

The Corporate Governance Policy guides the conduct of the affairs of your Company and clearly describes 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.

## **24. 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 Act to meet with any eventuality.

## **25. 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 October 04, 2021. The aforesaid rating is valid till June 30, 2022.

## **26. AUDITORS**

### **(i) Statutory Auditors**

The Company's Auditors, M/s. K. C. Mehta & Co., Chartered Accountants (Firm Registration Number - 106237W), were appointed as the Statutory Auditors of the Company upto the conclusion of the forthcoming 37<sup>th</sup> Annual General Meeting, however, they have intimated to the Company that their firm is converted into the Limited Liability Partnership with the name K. C. Mehta & Co., LLP with effect from June 07, 2022. They have given their consent for re-appointment as the Statutory Auditors for the second term of five years. They are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Members are requested to approve their appointment as the Auditors of the Company and to fix their remuneration as recommended by the Board, pursuant to Section 139 of the Companies Act, 2013. The Statutory Auditors have confirmed that they satisfy the criteria of independence, as required under the provisions of the Companies Act, 2013.

## (ii) Internal Auditors

Mukund and Rohit, Chartered Accountants were Internal Auditors since April, 1991 upto financial year 2021-22. With deep regret, they have expressed inability to be considered for their appointment as Internal Auditor for the year 2022-23.

Your directors have taken on record appreciation for their valuable contributions by way of high level of motivation and there by inculcating discipline as well as their urge to continue in pursuit of excellence in the achievement of the goals of the Company.

The Company is in process to identify new Internal Auditor.

## (iii) Secretarial Auditors

As required under Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

The Secretarial Audit Report for the year 2021-22, given by M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara is attached as 'Annexure B' to this Report.

The Board at its meeting held on May 27, 2022 has re-appointed M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara as Secretarial Auditors for the financial year 2022-23.

## (iv) Cost Records and Audit

The company is neither required to maintain Cost Records nor required to appoint Cost Auditor pursuant to Section 148 of the Act.

## 27. 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.

## 28. 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 the Listing Regulations. 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. Further details on the Audit Committee and its terms of reference etc. have been furnished in Corporate Governance Report.

## 29. 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 the Listing Regulations. 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.

## 30. 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 the Listing Regulations. The Committee looks into investors' grievances arising out of issues regarding share transfers, dividends, dematerialization and related matters, evaluating performance and service standards of the Registrar and Share Transfer Agent and takes requisite action(s) to redress the same. The details of meetings and their attendance are included in Corporate Governance Report.

## 31. REPORTING OF FRAUDS

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

## 32. ANNUAL RETURN ON THE WEBSITE

Pursuant to section 92(3) read with 134(3)(a) of the Act, a copy of the annual return is placed on the website of the Company i.e. [www.munjalauto.com](http://www.munjalauto.com) and can be accessed at <https://munjalauto.com/finance/annual-reports/>.

## 33. CODE OF CONDUCT

The Code of Conduct is applicable to the members of the Board and all designated employees in the course of day to day business operations of the Company. The Code laid down by the Board is known as "Code of Conduct and Fair Disclosure of Unpublished Price Sensitive Information" which forms an Appendix to the Code of Conduct of the Company which is in line with SEBI (Prohibition of Insider Trading) Regulation, 2018, as amended from time to time.

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2021-22.



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. 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.

#### **34. 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.

#### **35. PREVENTION OF INSIDER TRADING**

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.

#### **36. BOARD MEETINGS**

Four meetings of the Board of Directors were held during the financial year 2021-22. Details of the composition of the Board and its committees and of the meeting held, attendance of the Directors of such meetings and other relevant details are provided in the Corporate Governance Report.

#### **37. RISK MANAGEMENT POLICY**

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. Moreover, in terms of Regulation 21 of the Listing Regulations, Risk Management committee also is in place. Its details have been furnished in the Corporate Governance Report.

#### **38. CHANGES AND COMMITMENTS**

The Company has entered into Deed of Assignment(s) on April 26, 2022 for transfer of Company's surplus leasehold land admeasuring about 1,68,292 Square Meters situated at 187, GIDC Industrial Estate at Waghodia, Vadodara at lump sum consideration of ₹ 50.48 Crore. The transferee is a third party and does not belong to the promoter/promoter group/ group Companies. The transaction does not fall within the purview of Related Party Transactions.

Except above no material changes and/or commitment affecting the financial position of your Company has occurred between April 1, 2022 and the date of signing of this report. Your Company did not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

#### **39. PARTICULARS OF EMPLOYEES**

The Statement of disclosure of remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as '**Annexure C**'. The information as per Rule 5(2) of the Rules forms part of this report. However, in terms of provisions of Section 136 of the Companies Act, 2013, the report and Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

#### **40. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the Listing Regulations, is enclosed as '**Annexure D**' and forms part of this report.

#### **41. INDUSTRIAL RELATIONS**

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

#### **42. 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) ISO 45001:2018 from Bureau Veritas during FY 2021-22, which is valid upto 01<sup>st</sup> May, 2025.

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

The information required under Section 134(3)(m) of the Act read with rules made thereunder is annexed to this report as 'Annexure E'.

#### 44. BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report ('BRR') has been prepared and forms part of the annual report as 'Annexure F'. The report provides detailed overview of initiatives taken by your Company from environmental, social and governance perspective.

#### 45. REMUNERATION POLICY

Pursuant to provisions of the Act, the Nomination and Remuneration Committee (NRC) of your Board has formulated a Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees. The NRC has developed criteria for determining the qualification, positive attributes and independence of Directors and for making payments to Executive and Non- Executive Directors. The remuneration policy of the Company can also be viewed at the website of the Company i.e. [www.munjalauto.com](http://www.munjalauto.com).

#### 46. STATUTORY DISCLOSURES

Your Directors state that there being **no transactions** with respect to following items during the year under review, **no disclosure or reporting is required** in respect of the following matters:

- i. No Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- ii. No Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii. No Issue of shares (including sweat equity shares) to employees of your Company under any scheme.
- iv. No receipt of remuneration or commission by the Managing Director nor the Whole-time Directors of your Company from its subsidiaries.
- v. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- vi. No Buy-back of shares or financial assistance under Section 67(3).
- vii. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- viii. No settlements have been done with banks or financial institutions.

#### 47. COMPLIANCES WITH APPLICABLE SECRETARIAL STANDARDS

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of Board of Directors and General Meetings respectively.

#### 48. (A) STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE ACT

The Board of Directors hereby declares that all the independent directors duly appointed by the Company have given the declaration and they meet criteria of independence as provided under Section 149(6) of the Act.

#### (B) A STATEMENT WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS

Your Directors are of the opinion that Independent Directors of the Company are of high integrity and suitable expertise as well as experience (including proficiency).

#### 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 gratefully acknowledge support/guidance of Government of India and especially Goods and Services Tax (GST) Department, Income Tax Department, Industrial & Labour Departments, Government of Gujarat, Government of Haryana, Government of Uttarakhand and other government agencies, the Company has been receiving over the years and is looking forward to their continued support/guidance in times to come.

The Directors mourn the loss of lives due to Covid-19 pandemic, are deeply grateful to them and have immense respect for every person who risked their life and safety to fight this pandemic.

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

Sudhir Kumar Munjal  
Chairman & Managing Director  
DIN : 00084080

Date : May 27, 2022  
Place : Vadodara