MUNJAL AUTO
INDUSTRIES LIMITED
Waghodia Plant

MAIL/SECY/AUG/2019 August 07, 2019

To, The Secretary, BSE Ltd. 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, MUMBAI – 400 001	To, Asst. Vice President, **National Stock Exchange of India Ltd**., Exchange Plaza, Plot C/1, G Block Bandra-Kurla Complex, Bandra (E), MUMBAI – 400 051

SUB: Submission of Annual Report for the year ended March 31, 2019 along with Notice of 34th Annual General Meeting to be held on August 31, 2019

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

BSE Script Code: 520059 | NSE Scrip Code: MUNJALAU

Dear Sir,

We wish to inform you that the 34th Annual General Meeting (AGM) of the Munjal Auto Industries Limited ('Company') is scheduled to be held on Saturday, August 31, 2019 at 03:00 p.m. at the registered office of the Company situated at 187, GIDC Industrial Estate, Waghodia, Vadodara- 391760 to transact the business set-out in the Notice of the AGM dated May 22, 2019.

Pursuant to Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we hereby submit the Annual Report of the Company for the Financial Year 2018-19 together with the Notice calling the 34th Annual General Meeting.

Kindly take the above on your record and acknowledge the same.

Thank you,

Yours faithfully,
For MUNJAL AUTO INDUSTRIES LTD.

Rakesh Johari

Rakesh Johari
Company Secretary
ACS19153

Corporate Office :- 301, 3rd Floor, Galleria Tower, DLF Ph - IV Gurgaon - 122 002, Tel: 91 - 124 - 4057891 - 92. Fax: 91 - 0124 - 4369506
Waghodia Plant/Regd. Office :- 187, GIDC, Industrial Estate, Waghodia - 391 760, Distt. Vadodara (Gujarat), Tel: 91 - 2668 - 26421 - 26, Fax: 91 2668 - 262427
Bawal Plant :- Plot no. 37, Sector 5, Ph - II, G.C. Bawal-123 501, Distt. Rewari (HR), Tel: 91 - 1284 - 264435 - 36, Fax: 91 - 01284 - 264434
Haridwar Plant :- Plot no - 11, Industrial Park II, Vill, Salempur Mehdood, Distt. Haridwar - 249 402 (Uttrakhand), Tel: 91 - 01334 - 235530, 32, Fax: 91 - 01334 - 235533
For more information please mail mail@mujnalauto.com or visit us www.munjalauto.com
CIN. L34100GJ1985PLC007958

MUNJAL AUTO

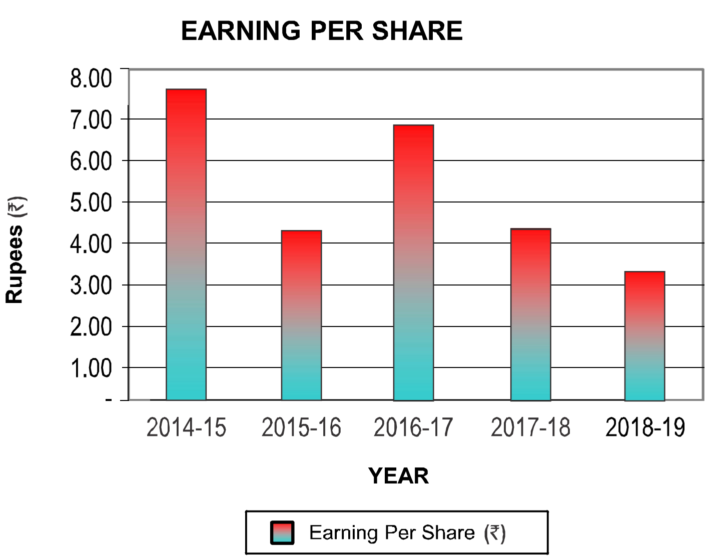
34th Annual Report & Accounts 2018-19

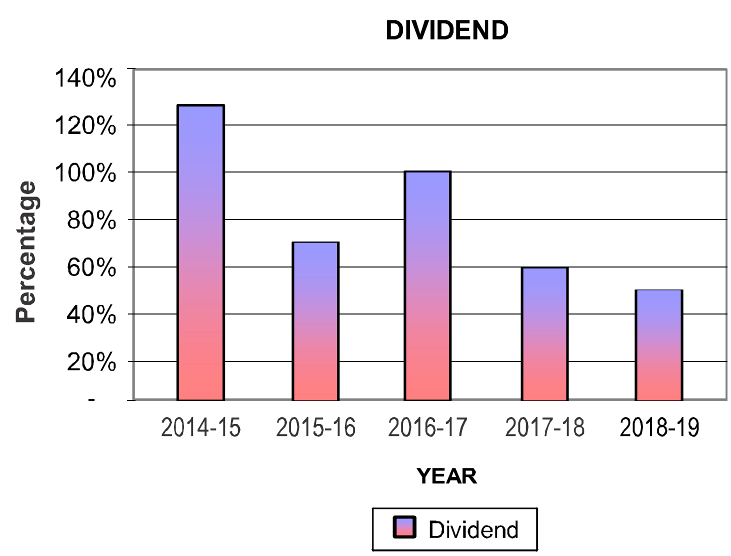
Munjal Auto Industries Limited

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%





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 OFFICE
Unitech Business Zone, 2nd Floor,
Tower C, Nirvana Country, South City-2,
Sector-50, Gurugram - 122018

CONTENTS

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		Consolidated
	Year ended March 31, 2019	Year ended March 31, 2018	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

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080

Date : May 22, 2019
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 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 Kaantha, Gujarat	55,00,000	55,00,000	55,00,000	Agency :Vaanprastha Saadhak Aashram, Sabar Kaantha, 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	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

ANNEXURE 'B' TO BOARD'S REPORT

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L34100GJ1985PLC007958
ii)	Registration Date	:	12-07-1985
iii)	Name of the Company	:	Munjal Auto Industries Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by shares
v)	Address of the Registered office and contact details	:	187, GIDC Industrial Estate, Waghodia, Vadodara - 391760 Tel. No. (02668) 262421-22, Fax No. (02668) 262427
vi)	Whether listed Company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Limited, 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, Vadodara- 390 007 Tel.: (0265) 2314757; Fax: (0265) 2341639 E-mail: mcsltdbaroda@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turn over of the Company
1	Manufacture of Diverse Parts And Accessories For Motor Vehicles	29301	100%

III. PARTICULARS OF HOLDING AND SUBSIDIARY COMPANY

S. No	Name and Address of the Company	CIN	HOLDING/ ASSOCIATE	% of shares held	Applicable Section
1	Thakurdevi Investments Private Limited, Hero Nagar, G. T. Road, Ludhiana-141003	U65921PB1979PTC004044	Holding Company	74.81%	2(46)
2	Indutch Composites Technology Pvt. Ltd. No. 401, Pawan Complex, 9, Prakash Colony, Jetlapur Road, Alkapuri Vadodara- 390007	U29100GJ2010PTC059665	Subsidiary Company	68.00%	2(87)(ii)

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

i) **Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2018)				No. of Shares held at the end of the year (As on 31-March-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7,48,06,450	-	7,48,06,450	74.81	7,48,06,450	-	7,48,06,450	74.81	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**7,48,06,450**	**-**	**7,48,06,450**	**74.81**	**7,48,06,450**	**-**	**7,48,06,450**	**74.81**	**0.00**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2018)				No. of Shares held at the end of the year (As on 31-March-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding shareholding of Promoter (A)=(A)(1)+(A)(2)	**7,48,06,450**	**-**	**7,48,06,450**	**74.81**	**7,48,06,450**	**-**	**7,48,06,450**	**74.81**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	51,511	1,000	52,511	0.05	44,947	1,000	45,947	0.05	-
b) Banks/FI	20,155	48,910	69,065	0.07	50,214	48,910	99,124	0.10	0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs / FPIs	29,783	-	29,783	0.03	-	-	-	-	-0.03
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**1,01,449**	**49,910**	**1,51,359**	**0.15**	**95,161**	**49,910**	**1,45,071**	**0.15**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	23,88,932	50,000	24,38,932	2.44	20,73,718	43,750	21,17,468	2.12	-0.32
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,57,14,992	18,37,762	1,75,52,754	17.55	1,70,18,023	15,02,660	1,85,20,683	18.52	0.97
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	26,11,641	-	26,11,641	2.61	19,65,066	-	19,65,066	1.96	-0.65
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	6,50,397	13,500	6,63,897	0.66	607626	10,000	6,17,626	0.62	-0.04
HUF	11,44,497	-	11,44,497	1.14	10,63,666	-	10,63,666	1.06	-0.08
Trust	7,900	-	7,900	0.01	6,400	-	6,400	0.01	-
IEPFA	6,22,570	-	6,22,570	0.62	7,57,570	-	7,57,570	0.76	0.14
Sub-Total (B)(2):-	**2,31,40,929**	**19,01,262**	**2,50,42,191**	**25.04**	**2,34,92,069**	**15,56,410**	**2,50,48,479**	**25.04**	
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2,32,42,378**	**19,51,172**	**2,51,93,550**	**25.19**	**2,35,87,230**	**16,06,320**	**2,51,93,550**	**25.19**	
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**9,80,48,828**	**19,51,172**	**10,00,00,000**	**100**	**9,83,93,680**	**16,06,320**	**10,00,00,000**	**100**	

(ii) **Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Share holding at the end of the year (As on 31.03.2019)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Thakurdevi Investments Private Limited	7,48,06,450	74.81%	NIL	7,48,06,450	74.81%	NIL	NIL
	Total	7,48,06,450	74.81%	NIL	7,48,06,450	74.81%	NIL	NIL

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	7,48,06,450	74.81%	7,48,06,450	74.81%
2	Increase in holding of Promoters	NIL	NIL	NIL	NIL
3	At the End of the year	7,48,06,450	74.81%	7,48,06,450	74.81%

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

S.No.	Folio No./DP-Cl.Id	Name	31.03.2019		31.03.2018	
			Shares	%	Shares	%
1	1204720013676780	Investor Education and Protection Fund Authority	7,57,570	0.76	6,22,570	0.62
2	IN302902/41210170	Jayakumar C	4,01,120	0.40	4,01,120	0.40
3	IN302105/10207504	Anita Rawat	2,40,000	0.24	2,40,000	0.24
4	IN300476/41135702	V Srinivasa Rangan	2,14,000	0.21	2,14,000	0.21
5	IN302269/14425714	Kiran Suzanne Coelho	2,00,000	0.20	2,00,000	0.20
6	IN300142/10033480	Lincoln P Coelho	2,00,000	0.20	2,00,000	0.20
7	IN300327/10127999	Crochet Trade & Investment Private Ltd.	1,80,000	0.19	1,86,000	0.19
8	IN301549/15093405	Sunil Kumar Gupta	1,66,000	0.17	1,66,000	0.17
9	IN301549/31101495	D Srimathi	1,64,924	0.16	1,64,924	0.16
10	1201130000138223	Amola M. Patel	1,50,000	0.15	1,50,000	0.15
	TOTAL		**26,73,614**	**2.68**	**25,44,614**	**2.54**

(v) **Shareholding of Directors and Key Managerial Personnel**

S. No.	Shareholding of each Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year:				
1	Mrs. Anju Munjal, WTD	622	0.0006	622	0.0006
2	Mr. Naresh Kumar Chawla, Director	500	0.0005	500	0.0005
	Increase in holding of Directors and Key Managerial	NIL	NIL	NIL	NIL
	At the End of the year:				
1	Mrs. Anju Munjal, WTD	622	0.0006	622	0.0006
2	Mr. Naresh Kumar Chawla, Director	500	0.0005	500	0.0005

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount	28,76,53,915	-	-	28,76,53,915
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24,96,238	-	-	24,96,238
Total (i+ii+iii)	**29,01,50,153**	**-**	**-**	**29,01,50,153**
Change in Indebtedness during the financial year				
• Addition	17,50,00,000	-	-	17,50,00,000
• Reduction	12,85,86,847	-	-	12,85,86,847
Net Change	**4,64,13,153**	-	-	**4,64,13,153**
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	33,38,96,458	-	-	33,38,96,458
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	26,66,848	-	-	26,66,848
Total (i+ii+iii)	**33,65,63,306**	**-**	**-**	**33,65,63,306**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ In Lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Sudhir Kumar Munjal - CMD	Mrs. Anju Munjal -WTD	Mr. Anuj Munjal - WTD	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	238.59	166.18	207.57	612.34
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.41	43.82	2.43	47.66
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- -	- -	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify				
	a) Company's contribution to the provident Fund	14.40	12.60	12.60	39.60
	b) Company's contribution to Superannuation scheme	12.00	10.50	10.50	33.00
	c) Gratuity	5.77	5.05	5.05	15.87
	Total (A)	**272.17**	**238.15**	**238.15**	**748.47**
	Ceiling as per the Act				**748.47**

B. Remuneration to other Directors

(₹ In Lacs)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
	Independent Directors	Mr. Vikram Shah	Mr. Naresh Kumar Chawla	Mr. Mahendra Sanghvi	Mr. Ramkisan Devidayal	Mr. Sudesh Kumar Duggal	Mr. Jal Ratanshaw Patel	
	• Fee for attending Board/ Board committee meetings	4.40	2.80	3.00	3.40	0.60	1.80	16.00
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	4.40	2.80	3.00	3.40	0.60	1.80	16.00
	Other Non-Executive Directors							
	• Fee for attending board committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	4.40	2.80	3.00	3.40	0.60	1.80	16.00
	Total Managerial Remuneration	**4.40**	**2.80**	**3.00**	**3.40**	**0.60**	**1.80**	**16.00**
	Overall Ceiling as per the Act							**16.00**

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

(₹ In Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	19.44	51.53	70.97
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify				
	a) Company's contribution to the provident Fund	-	1.02	2.71	3.73
	b) Company's contribution to Superannuation Fund	-	0.85	2.26	3.11
	c) Gratuity	-	0.41	1.08	1.49
	Total	**-**	**21.72**	**57.58**	**79.30**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A.	**COMPANY**					
	Penalty	-	-	-	-	-
	Punishment	-	-	**None**	-	-
	Compounding	-	-	-	-	-
B.	**DIRECTORS**					
	Penalty	-	-	-	-	-
	Punishment	-	-	**None**	-	-
	Compounding	-	-	-	-	-
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty	-	-	-	-	-
	Punishment	-	-	**None**	-	-
	Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Date : May 22, 2019
Place : Waghodia, Vadodara

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080

ANNEXURE 'C' TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Munjal Auto Industries Ltd,
187, GIDC Industrial Estate
Waghodia
Dist: Baroda-391760

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the MUNJAL AUTO INDUSTRIES LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.]

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Presently :SEBI (issue of capital and disclosure requirements) regulation 2018]

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [presently: The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.]

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Presently :SEBI (Buy Back of Securities) Regulations, 2018]

(vi) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, **on test check basis**, **we further report that** the Company has complied with the following laws applicable specifically to the Company:

1. The Environment (Protection) Act, 1986
2. The Air (Prevention And Control of Pollution) Act, 1981
3. The Water (Prevention and Control of Pollution) Act, 1974
4. The Hazardous Wastes (Management and Handling and Trans-boundary Movement) Rules, 1989
5. Indian Boiler Regulations Act, 1950
6. The Static and Mobile Pressure Vessels (unfired) Rules, 1981 [SMPV(U) Rules]
7. Indian Explosives Act,1884
8. The Factories Act, 1948
9. The Industrial Dispute Act, 1947
10. The Payment Of Wages Act, 1936
11. The Minimum Wages Act, 1948
12. The Employees State Insurance Act, 1948
13. The Employees' Provident Fund And Miscellaneous Provisions Act, 1952
14. The Payment of Bonus Act, 1965
15. The Payment of Gratuity Act, 1972
16. The Contract Labour (Regulation And Abolition) Act, 1970
17. The Maternity Benefit Act, 1961
18. The Child Labour (Prohibition And Regulation) Act, 1986
19. The Industrial Employment (Standing Orders) Act, 1946
20. The Employees' Compensation Act, 1923 (Earlier Known As Workmen's Compensation Act, 1923)
21. The Apprentices Act, 1961
22. The Equal Remuneration Act, 1976
23. The Employment Exchange (Compulsory Notification Of Vacancies) Act, 1956

We have also examined compliance with the applicable clauses of the following:

(i) Mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. Including The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report (by way of information) that during the audit period:

(a) The Company has not issued any Debt bearing securities during the period under review and accordingly The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2009 were not applicable.

(b) The Company has not issued any stock options to the employees and accordingly The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 were not applicable.

(c) The Company has neither got delisted Equity Shares nor bought back any security of the Company and accordingly

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2016

were not applicable during the audit period..

(d) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India mandatorily applicable during the audit period were complied with.

(e) The Company has acquired 16,48,726 (55%) Equity Shares of ₹ 10/- each at par of M/s. Indutch Composites Technology Private Limited ('Indutch') on 22.05.2018. Accordingly, Indutch became subsidiary of the Company. Subsequently the Company was allotted 12,17,810 equity shares of M/s. Indutch ₹ 10/- each on right basis on 15.06.2018.

(f) The Company has amended its object clause through postal ballot on 12.05.2018.

(g) The Company has passed a special resolution at AGM held on 25.08.2018 pursuant to section 185 in respect of loan, security and guarantee to M/s Indutch Composites Technology Private Limited.

(h) The Company obtained approval of members on 30.03.2019 through Postal Ballot by Special Resolution for Continuation of Mr. Naresh Kumar Chawla, Mr. Sudesh Kumar Duggal and Mr. Jal Ratanshaw Patel as Independent Directors even if they have attained 75 years pursuant to Regulation 17(A) of LODR.

For Devesh Pathak & Associates
Practising Company Secretaries

Date : May 18, 2019
Place : Vadodara

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

ANNEXURE 'D' TO THE BOARD'S REPORT

Details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.N.	Particulars	
i.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	**Executive Directors** CMD: 95 X WTD: 83 X WTD: 83 X
ii.	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manger, if any of the Financial Year	**Executive Directors** CMD: 0.00% WTD: 0.00% WTD: 0.00% **KMPs** CFO: 15.00% CS: 15.00%
iii.	The % increase in the median remuneration of employees in the financial year	6.47%
iv.	The number of permanent employees on the rolls of Company	1,269
v.	The explanation on the relationship between average increase in remuneration and Company performance	Annual Increase in remuneration is based on the remuneration policy for different grades, industry pattern, qualifications and experience, responsibilities shouldered and individual performance of the Key Managerial personnel & other employees and also performance of the Company.
vi.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	
vii.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	
viii.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	
ix.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	
x.	The key parameters for any variable component of remuneration availed by the Directors	Key parameters of Whole time Directors' variable remuneration includes components like incentive on growth of top-line and growth in profitability.
xi.	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year and	NOT APPLICABLE
xii.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the remuneration policy of the Company.

vii.

	2018-19	2017-18
Market Capitalization	₹ 537.50 Cr.	₹ 713.00 Cr.
PE Ratio	16.05	17.14
Last Public Offer Market Quotation	NA	NA

viii.

% Increase in	2018-19	Justification/ Remarks
Salaries of Employees	9.52%	
Managerial Remuneration	0.00%	

ix.

Particulars	% of Net Sales for F.Y 2018-19
CMD	0.24%
WTD	0.21%
WTD	0.21%
CFO	0.05%
CS	0.02%

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

ECONOMY OUTLOOK

As per World Bank, Global growth is expected to slow to 2.9 percent in 2019. International trade and investment are moderating, trade tensions remain elevated, and financing conditions are tightening. Amid recent episodes of financial stress, growth in emerging market and developing economies has lost momentum and is projected to stall at 4.2 percent this year, with a weaker-than-expected rebound in commodity exporters accompanied by deceleration in commodity importers. Downside risks have become more acute. Financial market pressures and trade tensions could escalate, denting global activity.

The January,2019 edition, Darkening Skies, highlights how precarious the current economic juncture is. In a nutshell, growth has weakened, trade tensions remain high, several developing economies have experienced financial stress, and risks to the outlook have increased. As the report points out, Emerging market and developing economies (EMDEs) face some of the greatest risks. If a trade war between the United States and China contributes to a global slowdown, the spill over effects on EMDEs could be profound. Similarly, a sharp increase in global interest rates would severely affect highly indebted EMDEs, as Turkey and Argentina painfully discovered last summer.

INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch ₹ 28-30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

INDIAN AUTOMOTIVE INDUSTRY

As per ICRA, Consumers sentiment is expected to remain stuck in the slow lane for the auto industry, as anxiety over general elections, financing constraints and farm distress dent the sector's sales. The slowdown in auto sales reflect the picture of the Indian economy, which is being dragged by low demand especially from rural areas .Alarmingly, a slowdown in the sector will have a cascading impact on other industries like steel and most importantly on job creation. Nonetheless, industry observers expect the demand environment to remain subdued in the near-term, till the time, on-going election season lasts and high-base effect persists.

Election, new government, global issues like tariff war between US and China, embargo on Iran restricting India's purchase of crude from them could all impact the way this sector evolves in the medium term.

Besides, the external factors, the introduction of Bharat Stage VI which will bring in new engine types has caused anxiety, consumers are said to be waiting for the implementation of the new emission norms before making new purchases.

Other bottlenecks such as financing constraints due to the NBFC (Non-Banking Financial Company) crisis have also hit the industry. NBFCs play a critical role in financing and driving sales and the depressed credit growth has been a prime reason for the overall slowdown. Additionally, an overall downtrend in the farm sector growth has also decelerated the demand for tractors, pick-ups and two-wheelers. A good farm sector performance has a cascading effect on driving the overall growth in the economy across, primary, secondary and tertiary dependent sectors. In terms of a recovery, experts believe a gradual acceleration in sales pick-up will take place, once the election period gets over. Growth is likely to recover from H2 onwards when fleet operators will start placing orders before new emission norms get implemented. Stable government at the Centre and continuation of investments in the infrastructure space and rural demand scenario will be key variables.

RISKS AND CONCERNS

In the coming decade, the main focus would be on enhancing efficiency and productivity, and on innovation, driven by changing customer demands. Price sensitivity of the Indian consumer, cost optimization needs of manufacturers and increasing focus on environmental concerns will drive critical changes in the market. Future strategies of the auto companies will have to focus on increased environmental safety concerns, rising fuel prices and cost-effectiveness in the rising market competition. Innovation has to focus on increasing efficiency and reducing emissions.

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

YOUR COMPANY'S PERFORMANCE

Your company's performance for the year has been satisfactory in spite of demonetization /GST effects, pricing pressures etc.

FUTURE OUTLOOK

Key long-term trends are underway in the automotive industry. There will be a major transformation over the next decade. Technology is significantly advancing for vehicles. Through the year 2030, we are likely to see an increasing amount of electric vehicles on the road. There is also likely to be more autonomous vehicles and ride-sharing. However, the long-term outlook remains positive for the automotive industry with all major global players having a base in India for manufacturing, global sourcing as well as engineering. Regular product

Your Company is also looking to expand in Research and Development in view of its recognition as R&D centre at Dharuhera duly recognised by DSIR. The Company has also started diversifying its wings towards renewable energy sector. The Company has bought majority stake in a private limited Company which is engaged in manufacturing of wind mill blades, Composite products etc. The future outlook of your company remains positive as your Company is actively working on both the strategic front and the operations front to take advantage of the turning trends which includes research and development improving operational performances, focus on quality, broaden the customer base etc.

FORWARD LOOKING STATEMENTS

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

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

Date : May 22, 2019
Place : Waghodia, Vadodara

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080

ANNEXURE 'F' TO THE BOARD'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under the Companies (Accounts) Rules, 2014.

A. Conservation of Energy and Technology Absorption

The Management is pursuing energy conservation with considerable focus and commitment. Effective use of energy, particularly in the hard core manufacturing processes of the Company. Optimal utilization of various energy resources like power, fuel and oil is ensured by ongoing measures/steps that improve power factor and other consumption.

The Company has processes to measure, monitor and improve environmental performance through various initiatives focusing on energy, water and waste. Water efficiency and conservation initiatives, rainwater harvesting systems, domestic sewage treatment and recycling facilities are a part of design in all its units towards becoming zero water discharge.

2. Foreign Exchange Earnings and outgo

(₹ in Lacs)

		2018-19	2017-18
(a)	Total Foreign Exchange Earnings	93.07	162.10
(b)	Total Foreign Exchange Outgo	28.01	45.47

ANNEXURE 'G' TO THE BOARD'S REPORT

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

REMUNERATION POLICY

In accordance with the provisions of section 178(3) of the Companies Act, 2013 ('the Act') the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

I. **PREAMBLE**

This Remuneration Policy is formulated in compliance with Section 178 of the Act read with the applicable rules thereto and Regulations of LODR. This policy is formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors based on the recommendations of the NRC.

II. **OBJECTIVE**

The objective of the policy is to ensure that:

(i) The level of composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

(ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

III. **COMPLIANCE WITH APPLICABLE LAWS**

The procedure and limits for payment of remuneration under this policy are in accordance with provisions of (a) the Act read with rules framed there under (b) LODR (c) Articles of Association of the Company and (d) any other applicable law or regulations. In the absence of any of the above provisions, the procedure and limits shall be governed by the prevailing HR policy of the Company.

IV. **REMUNERATION TO NON-EXECUTIVE DIRECTORS**

Sitting fees are paid to Non-Executive Directors on attendance basis within the limits prescribed under the Act and rules framed there under for attending meeting of the Board and Committees thereof.

V. **REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Remuneration to key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

VI. **REMUNERATION TO OTHER EMPLOYEES**

Components

Basic Salary, Allowances, Retiral Benefits, such other perquisites and/or incentives and/or bonus and/or variable incentive pay based on factors as above, as may be decided by the Management from time to time as per HR policy.

CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND SENIOR MANAGEMENT

In accordance with the provisions of Section 178 (3) of the Act, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purposes are as under:

Criteria for determining qualifications, positive attributes and independence of a Director:

I. **QUALFICATIONS**

(a) He/She should possess appropriate skills, experience and knowledge in one or more fields of finance law, management, sales, marketing administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

(b) Such qualifications as may be prescribed under the Act read with the rules framed there under and LODR.

II. **POSITIVE ATTRIBUTES**

(a) He/She should be person of integrity with high ethical standards.

(b) He/She should be able to commit to his/her responsibilities and devote sufficient time and attention to his/her professional obligation as a director.

(c) He/She should be having courtesy, humility and positive thinking.

(d) He/She should be knowledgeable and diligent in updating his/her knowledge.

(e) He/She should have skills, experience and expertise by which the Company can benefit.

(f) In respect of Executive/Whole Time Director/ Managing Director, in addition to 1(a) & (b) and II (a) to (e) above, he/she should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented and ability to enhance reputation of the organization.

III. **INDEPENDENCE**

In respect of an Independent Director, in addition to 1 (a) & (b) and II (a) to (e) above, he/she should fulfill the criteria for being appointed as an Independent Director prescribed under Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act read with 16 (b) of LODR.

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

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

Place : Waghodia, Vadodara
Date : May 22,2019

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080

INDEPENDENT AUDITOR'S REPORT

To

THE MEMBERS OF
MUNJAL AUTO INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Munjal Auto Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and total comprehensive income (comprising of profit and other comprehensive income),changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
1.	<u>**Recognition and Measurement of Deferred Taxes including Minimum Alternate Tax (MAT) credit:**</u> *(Refer to note 4 (xiii), 11, 39 (a) and (b) to the standalone financial statements)* The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of tax base of assets and liabilities. This requires significant calculations on account of the tax regulations, most of which are complex. The effects and the measurement of deferred tax assets and liabilities require detailed knowledge of the applicable tax law. We have considered the recognition and measurement of deferred tax assets including MAT credit as Key Audit Matter as recognition of these assets involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.	<u>**Principal Audit Procedures**</u> Our audit procedures included the following: - Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax asset by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts. - Inquiry and critical analysis of the management judgement on recognition of deferred tax asset. - Assessing the adequacy of the deferred tax disclosures to the financial statements. <u>***Conclusion:***</u> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements

2	**Litigations and Claims** *(Refer to note 4 (xiv) and 40 to the standalone financial statements)* Litigation and claims are pending with multiple tax and regulatory authorities and there are claims from employees which have not been acknowledged as debt by the company. In the normal course of business, financial exposures may arise from pending legal/regulatory proceedings and from above referred claims not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the standalone Ind AS financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective. We have considered Litigations and claims as Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.	**Principal Audit Procedures** Our audit procedures included the following:· - Understanding the current status of disputed tax matters and other litigations and claims and discussing selected matters with the entity's management. - Critically assessing the entity assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation. ***Conclusion:*** Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directorsis also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
   e. on the basis of the written representations received from the directors as on 31st March 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms of Section 164(2) of the Act;

f. with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and

g. with respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 to the standalonefinancial statements;

ii. the Company did not have any long-term contracts including derivative contracts as at 31st March 2019;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Vishal P. Doshi
Partner
Membership No.101533

Place : Vadodara
Date : 22nd May, 2019

ANNEXURE A TO INDEPENDENT AUDITOR’S REPORT

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

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than self-constructed properties are held in the name of the Company.

ii. The inventories of finished goods, stores, spare part and raw materials have been physically verified by the management. In our opinion the frequency of verification is reasonable. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.

iii. The Company has granted unsecured loan to a subsidiary Company covered in the register maintained under section 189 of the Companies Act, 2013.

(a) In our opinion and according to the information and explanations given to us, the terms and conditions on which loans have been granted to a Company covered in the register maintained under section 189 of the Act are not prima facie, prejudicial to the interest of the Company;

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and in accordance with such stipulation repayment of loans is regular.

(c) The principal and interest are not overdue in respect of loan granted to a Company listed in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans granted, investments made, and guarantees and security provided by it.

v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Act, and the rules framed thereunder or under the directives issued by the Reserve Bank of India and therefore, reporting under clause (v) of the Order is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and rules 3 of the Companies (Cost Records and Audit) Amendment Rules, 2014 for any of the products of the Company and therefore, reporting under clause (vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues were in arrears, as at 31st March 2019 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no disputed dues in respect of Income Tax, Goods and Service Tax, Service tax and Duty of Customs. According to the information and explanations given to us, the followings are the particulars of Sales Tax and Duty of Excise as at 31stMarch,2019 which have not been deposited on account of dispute:

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

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company has not taken any loans from financial institution or Government. It has not issued any debentures.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year and therefore, reporting under clause (ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management of the Company.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him and therefore, reporting under clause(xv) of the Order is not applicable to the Company.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Vishal P. Doshi
Partner
Membership No.101533

Place : Vadodara
Date : 22nd May, 2019

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to financial statements of Munjal Auto Industries Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vishal P. Doshi
Partner
Membership No.101533

Place : Vadodara
Date : 22nd May, 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(Amount ₹ in Lacs)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	6	18,897.23	17,265.98
(b) Capital work-in-progress		378.89	58.51
(c) Investment property under construction	7	1,513.78	-
(d) Intangible Assets	8	214.23	243.02
(e) Financial Assets			
(i) Investments	9	3,001.93	-
(ii) Deposits	10	203.52	158.50
(f) Deferred Tax Assets (Net)	11	1,296.77	1,274.33
(f) Other non-current assets	12	2,995.69	2,044.18
Total Non-Current Assets		**28,502.04**	**21,044.52**
(2) Current Assets			
(a) Inventories	13	6,009.54	2,727.12
(b) Financial assets			
(i) Investments	14	745.77	6,266.17
(ii) Trade receivables	15	14,586.31	15,819.88
(iii) Cash and cash equivalents	16	1,336.85	1,467.52
(iv) Other bank balances	17	135.54	104.93
(v) Loans	18	66.46	78.29
(vi) Other financial assets	19	19.08	7.26
(c) Current tax assets (net)	20	11.53	71.46
(d) Other current assets	21	576.99	580.65
Total Current Assets		**23,488.07**	**27,123.28**
Total Assets		**51,990.11**	**48,167.80**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	22	2,000.00	2,000.00
(b) Other equity	23	28,116.48	26,264.96
Total Equity		**30,116.48**	**28,264.96**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial liabilities			
- Borrowings	24	1,295.27	1,609.24
(b) Provisions	25	539.16	490.03
Total Non-Current Liabilities		**1,834.43**	**2,099.27**
(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	26	1,017.59	8.69
(ii) Trade payables	27		
(A) due to micro enterprises and small enterprises		2,950.33	165.29
(B) due to other than micro enterprises and small enterprises		10,585.57	13,385.39
(iii) Other financial liabilities	28	2,779.23	2,371.40
(b) Other current liabilities	29	2,140.05	1,236.58
(c) Provisions	30	566.43	636.22
Total current liabilities		**20,039.20**	**17,803.57**
Total Equity and Liabilities		**51,990.11**	**48,167.80**
Significant Accounting Policies and Notes to Standalone Financial Statements	1-53		

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 106237W
Vishal P. Doshi
Partner
Membership No. 101533
Place : Vadodara
Date : May 22, 2019

S. K. Sharma
Chief Financial Officer

Rakesh Johari
Company Secretary

For and on behalf of the Board of Directors

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Waghodia, Vadodara
Date : May 22, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount ₹ in Lacs)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	31	1,14,698.07	1,05,647.14
II	Other income	32	391.28	439.93
III	**Total Income (I+II)**		**1,15,089.35**	**1,06,087.07**
IV	**EXPENSES**			
	Cost of materials consumed	33	92,528.30	79,651.10
	Changes in inventories of finished goods and work-in-progress	34	(3,035.37)	(252.05)
	Excise duty		-	2,340.29
	Employee benefits expense	35	6,774.32	6,158.03
	Finance costs	36	380.92	432.73
	Depreciation and amortization expenses	37	1,874.95	1,818.70
	Other expenses	38	12,283.11	10,497.24
	Total Expenses (IV)		**1,10,806.23**	**1,00,646.04**
V	**Profit Before Tax (III-IV)**		**4,283.12**	**5,441.03**
VI	**Tax expense**	39		
	(a) Current tax relating to:			
	- current year		930.78	1,101.32
	- earlier years		35.19	21.86
	(b) Deferred tax		(7.97)	158.82
VII	**Profit for the year (V-VI)**		**3,325.12**	**4,159.03**
VIII	**OTHER COMPREHENSIVE INCOME (OCI)**			
	Items that will not be reclassified to profit or loss			
	(i) Re-measurement of the defined benefit plans		(41.40)	34.99
	- tax impact		14.47	(12.23)
			(26.93)	**22.76**
IX	**Total Comprehensive Income for the year (VII+VIII)**		**3,298.19**	**4,181.79**
X	Earnings per equity share (of ₹ 2 each)			
	Basic and diluted (in ₹)	41	3.33	4.16
	Significant Accounting Policies and Notes to Standalone Financial Statements	1-53		

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : May 22, 2019

S. K. Sharma
Chief Financial Officer

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Company Secretary

For and on behalf of the Board of Directors

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Waghodia, Vadodara
Date : May 22, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Equity Share Capital

(Amount ₹ in Lacs)

Particulars	
Balance as on April 1, 2017	1,000.00
Issue of bonus shares	1,000.00
Balance as on March 31, 2018	2,000.00
Additions / (Reductions)	-
Balance as on March 31, 2019	**2,000.00**

Other Equity

(Amount ₹ in Lacs)

Particulars	Reserves and Surplus			Total
	Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2017	**2.09**	**2,848.73**	**21,435.95**	**24,286.77**
Profit for the year	-	-	4,159.03	4,159.03
Re-measurement of defined benefit plans (net of tax)	-	-	22.76	22.76
Total comprehensive income for the year	**-**	**-**	**4,181.79**	**4,181.79**
Utilised for issue of bonus shares	-	**(1,000.00)**	-	(1,000.00)
Payment of dividend	-	-	(1,000.00)	(1,000.00)
Tax on dividend	-	-	(203.60)	(203.60)
Balance as at March 31, 2018	**2.09**	**1,848.73**	**24,414.14**	**26,264.96**
Profit for the year	-	-	3,325.12	3,325.12
Re-measurement of defined benefit plans (net of tax)	-	-	(26.93)	(26.93)
Total comprehensive income for the year	**-**	**-**	**3,298.19**	**3,298.19**
Payment of dividend	-	-	(1,200.00)	(1,200.00)
Tax on dividend	-	-	(246.67)	(246.67)
Balance as at March 31, 2019	**2.09**	**1,848.73**	**26,265.66**	**28,116.48**

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : May 22, 2019

S. K. Sharma
Chief Financial Officer

Rakesh Johari
Company Secretary

For and on behalf of the Board of Directors

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Waghodia, Vadodara
Date : May 22, 2019

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Amount ₹ in Lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,283.12	5,441.03
Adjustments for:		
Depreciation and amortisation expense	1,874.95	1,818.70
Finance Cost	380.92	432.72
(Profit)/Loss on sale/discard of Property, Plant and Equipment (Net)	146.42	0.11
Unwinding of discount	6.35	5.46
Interest Income	(23.32)	(9.96)
Dividend received	-	(130.88)
Net Profit on sale of Current Investments	(83.50)	(32.72)
Net gain on investments carried at fair value through Profit or Loss	(9.34)	(219.10)
Sundry balances written back (net)	(42.76)	-
Unrealised foreign exchange (gain)/loss (Net)	2.50	(0.61)
Re-measurement of defined benefit plans	(41.40)	34.99
Operating profit before changes in working capital	**6,493.94**	**7,339.74**
Adjustment for (increase)/decrease in operating assets		
Inventories	(3,282.42)	(301.74)
Trade receivables	1,233.71	(2,523.64)
Other financial assets	(1,092.88)	(700.08)
Other assets	3.66	164.99
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	25.48	3,254.89
Provisions	(27.02)	12.89
Other liabilities	1,080.78	676.87
Cash flow from operations after changes in working capital	**4,435.25**	**7,923.92**
Net Direct Taxes (Paid)/Refunded	(922.46)	(1,162.46)
Net Cash Flow from/(used in) Operating Activities	**3,512.79**	**6,761.46**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital advances & CWIP	(4,884.75)	(1,153.71)
Proceeds from sale of property, plant and equipment	13.49	14.57
Investment in Subsidiary	(3,001.93)	-
Loan given to Subsidiary	(1,050.00)	-
Loan received back from Subsidiary	1,050.00	-
Purchase of Investments	(23,339.28)	(33,403.69)
Sale of Investments	28,952.54	32,196.80
Interest Income	9.38	12.99
Dividend Income	-	130.88
Bank Balances not considered as Cash and Cash Equivalents	(30.61)	(9.45)
Net Cash Flow from/(used in) Investing Activities	**(2,281.16)**	**(2,211.61)**

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019 (Continued)

(Amount ₹ in Lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	750.00	-
Repayment of Borrowings	(1,296.47)	(1,485.60)
Payment of dividend	(1,200.00)	(1,000.00)
Payment of dividend distribution tax	(246.67)	(203.60)
Net Increase/(Decrease) in Working Capital Borrowings	1,008.90	(51.13)
Finance cost	(377.91)	(446.95)
Net Cash Flow from/(used in) Financing Activities	**(1,362.15)**	**(3,187.28)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(130.52)**	**1,362.56**
Cash & cash equivalents at beginning of year (see note no. 1)	**1,467.52**	**104.61**
Cash and cash equivalents at end of year (see note no. 1)	**1,337.00**	**1,467.17**
Notes:		
1 Cash and cash equivalents comprise of:		
Cash on hands	12.97	7.98
Balance with Banks		
In current accounts	1,314.00	1,153.65
In Cash Credit Accounts	10.03	5.54
In fixed deposits	-	300.00
Cash and cash equivalents as restated	**1,337.00**	**1,467.17**

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3. Reconciliation of Liabilities from financial activities:

(Amount ₹ in Lacs)

Particulars	Long-term borrowings	Short-term borrowings
Opening Balance	**2,867.85**	**8.69**
	(4,353.45)	(59.82)
Cash flow	**(546.47)**	**1,008.90**
	1,485.60	51.13
Non Cash Changes	**-**	**-**
	-	-
Closing Balance	**2,321.38**	**1,017.59**
	(2,867.85)	(8.69)

Previous year figures are in bracket.

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 106237W
Vishal P. Doshi
Partner
Membership No. 101533
Place : Vadodara
Date : May 22, 2019

S. K. Sharma
Chief Financial Officer

Rakesh Johari
Company Secretary

For and on behalf of the Board of Directors
Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Waghodia, Vadodara
Date : May 22, 2019

Notes to the financial statements

1 Corporate information

Munjal Auto Industries Limited ('the Company') is a public limited company domiciled and incorporated in India having its registered office at 187, GIDC Estate, Waghodia, District: Vadodara- 391760. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in manufacturing and selling of Auto components. As at March 31, 2019, Thakur Devi Investments Private Limited, the holding company owned 74.81% of the Company's equity share capital.

2 Application of new Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the new Ind AS and certain amendments to existing Ind ASs. They shall come into force on April 1, 2019 and therefore, the company shall apply the same with effect from that date.

(a) New Indian Accounting Standard (Ind AS 116) "Leases": Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" w.e.f. April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as prescribed in Ind AS 17. The effect on the Financial statements on adoption of Ind AS 116 is being evaluated by the Company.

(b) Other Amendments:

Several other Indian Accounting Standards have been amended on various issues with effect from April 1, 2019. The following amendments are relevant to the company:

(i) Ind AS 12 "Income Taxes"- Income tax consequences of dividend and uncertainty over income tax treatments;

(ii) Ind AS 19 "Employee Benefits"- Accounting for plan amendment, curtailment or settlement;

(iii) Ind AS 23 "Borrowing Costs"- Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

(iv) Ind AS 109 "Financial Instruments"- Measurement of prepayment features with negative compensation in case of debt instruments.

None of these amendments are expected to have any material effect on the Company's financial statements.

3 Basis of preparation and presentation

i. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

ii. Basis of preparation:

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal Lacs except otherwise stated.

iii. Operating Cycle

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

4 Significant Accounting Policies

i. Property, plant and equipment

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

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

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

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

Description	Years
Building	30-60
Leasehold Improvements	over the lease period
Plant & Machinery	15
Furniture and Fixtures	10
Vehicles	8
Office Equipment	5
Computers	3

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

ii. Intangible assets

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

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

iii. Impairment of tangible and intangible assets

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

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

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

iv. Investment Properties:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured inaccordance with Ind AS 16's requirements for cost model. The cost of Investment property includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is derecognised.

v. Investment in Subsidiary:

The Company records the investment in Subsidary at cost less impairment loss, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investment in Subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

vi. Inventories:

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

Scrap is valued at estimated net realisable value.

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

Provisions are made for obsolete and non-moving inventories.

vii. Revenue recognition

The Company earns revenue primarily from sale of products.

The Company has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11. The new Standard is applied to contracts that were remaining in force as at 1st April, 2018. The application of the standard does not have any significant Impact on the retained earnings as at 1st April, 2018 or on these financial statements.

(a) Sale of products

Revenues are recognized when the Company satisfies the performance obligation by transferring a promised products to a customer. A product is transferred when the customer obtains control of that product, which is at the point of transfer of custody to customers where usually the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration and represents amounts receivable for products and services provided in the normal course of business, net off products and Services Tax (GST), etc. Any retrospective revision in prices is accounted for in the respective year to which such revision belongs.

(b) Dividend and interest income

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

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

(c) Other income

Other income is recognized on accrual basis except when realisation of such income is uncertain.

viii. Government Grants

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to revenue are recognized on a systematic basis in the statement of profit or loss over the periods necessary to match them with the related costs which they are intended to compensate.

ix. Leases

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

x. Foreign Currency Transactions

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

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

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

xi. Borrowing costs

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

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

xii. Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

(1) Defined contribution plan

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

(2) Defined benefit plan

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

(c) Other long term employee benefits

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

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

xiii. Income taxes

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

(a) Current tax

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

(b) Deferred tax

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

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

(c) Current and deferred tax for the year

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

xiv. Provisions, contingent liabilities and contingent assets

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

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

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

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

Product warranty expenses

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

xv. Financial instruments

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

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

xvi. Financial assets

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

(a) Financial assets at amortised cost

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

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

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

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

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

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

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

(d) Impairment of financial assets

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

(e) Derecognition of financial assets

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

xvii. Financial liabilities and equity instruments

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

(a) Financial liabilities

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

(b) Equity instruments

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

(c) Derecognition of financial liabilities

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

xviii. Research and Development Expenditure

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Statement of Profit and Loss, as and when incurred.

ixx. Statement of Cash Flows:

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

5 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

(i) Critical judgments in applying accounting policies

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

(a) Evaluation of indicators for impairment of Property, Plant and Equipment:

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

(ii) Assumptions and key sources of estimation uncertainty

(a) Assets and obligations relating to employee benefits

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

(b) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

(c) Estimation of provision for warranty

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

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

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

Notes to the financial statements

6 Property, Plant and Equipment

(Amount ₹ in Lacs)

Particulars /Assets	Tangible Assets								Total
	Freehold Land	Building	Plant & Equipment	Lease hold Improve-ments	Furniture & Fixtures	Vehicles	Office Equipment	Computers	
GROSS BLOCK									
At April 1, 2017	1,635.23	5,080.73	11,877.20	-	308.23	576.97	85.10	38.64	19,602.10
Additions	81.96	71.84	694.91	-	7.77	230.87	35.21	0.48	1,123.04
Deduction/Adjustments	-	-	7.00	-	-	14.07	1.10	0.38	22.56
At March 31, 2018	1,717.19	5,152.57	12,565.11	-	316.00	793.76	119.21	38.74	20,702.58
Additions	79.67	1,008.93	1,992.59	354.59	93.88	22.32	20.96	29.27	3,602.22
Deduction/Adjustments	-	-	178.90	-	-	20.87	0.41	0.19	200.37
At March 31, 2019	**1,796.86**	**6,161.50**	**14,378.80**	**354.59**	**409.88**	**795.23**	**139.76**	**67.82**	**24,104.44**
ACCUMULATED DEPRECIATION									
At 1st April, 2017	-	182.32	1,389.17	-	14.17	51.38	19.67	13.92	1,670.63
Charge for the year	-	207.36	1,426.31	-	14.70	86.75	23.55	15.18	1,773.85
Deduction/Adjustments	-	-	3.17	-	-	3.65	0.68	0.38	7.88
At 31st March, 2018	-	389.68	2,812.31	-	28.87	134.48	42.54	28.72	3,436.60
Charge for the year	-	209.31	1,412.23	25.60	17.06	105.77	23.82	17.27	1,811.06
Deduction/Adjustments	-	-	34.63	-	-	5.64	-	0.19	40.46
At 31st March, 2019	-	**598.99**	**4,189.92**	**25.60**	**45.93**	**234.61**	**66.36**	**45.79**	**5,207.21**
Net Block									
At 31st March, 2018	1,717.19	4,762.89	9,752.80	-	287.13	659.29	76.67	10.02	17,265.98
At 31st March, 2019	**1,796.86**	**5,562.51**	**10,188.87**	**328.99**	**363.96**	**560.62**	**73.40**	**22.03**	**18,897.23**

Notes:

1. The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.
2. For details of property, plant and equipment given as security to lenders, refer Note No. 24.
3. The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
4. Contractual obligations: Refer to note 40(B) for disclosure on contractual commitments for the acquisition of property, plant and equipment.

(Amount ₹ in Lacs)

7 Investment property under construction

Particulars /Assets	Investment property under construction	Total
GROSS BLOCK		
At 1st April, 2017	-	-
Additions	-	-
Deduction/Adjustments	-	-
At 31st March, 2018	-	-
Additions	**1,513.78**	**1,513.78**
Deduction/Adjustments	**-**	**-**
At March 31, 2019	**1,513.78**	**1,513.78**

(i) The Company is getting its Building being constructed for future use as Investment Property. Since the said building is under construction, the Company determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete, it will measure the fair value of that investment property either when its fair value becomes reliably measurable or construction is completed (whichever is earlier).

(ii) Contractual obligation towards the above mentioned investment property: ₹ 895.19 lacs (Previous year : ₹ Nil)

8 Intangible Assets

Particulars /Assets	Computer Software	Total
GROSS BLOCK		
At 1st April, 2017	200.53	200.53
Additions	112.77	112.77
Deduction/Adjustments	-	-
At March 31, 2018	313.30	313.30
Additions	**35.11**	**35.11**
Deduction/Adjustments	**-**	**-**
At March 31, 2019	**348.41**	**348.41**
ACCUMULATED AMORTISATION		
At 1st April, 2017	25.43	25.43
Charge for the year	44.85	44.85
Deduction/Adjustments	-	-
At 31st March, 2018	**70.28**	**70.28**
Charge for the year	63.90	63.90
Deduction/Adjustments	**-**	**-**
At 31st March, 2019	**134.18**	**134.18**
Net Block		
At 31st March, 2018	243.02	243.02
At 31st March, 2019	**214.23**	**214.23**

1 The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

2 The aggregate amortisation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
9	**Investments- Non-Current**		
	Investments in Equity Instruments:		
	Investments in Subsidiary (at Cost):		
	Indutch Composites Technology Private Limited	3,001.93	-
	(Unquoted, Fully paid up 28,66,536 equity shares, Face Value ₹ 10 per share)		
	Total	**3,001.93**	**-**
	Aggregate carrying value of unquoted investments	3,001.93	-
	Aggregate amount of impairment in value of investments	-	-

(i) During the year on May 22, 2018, the Company has acquired 55% shareholding held by Murwari BV, a Company registered under the laws of the Netherlands and Mr. Johannes Ter Laak, a Netherlands inhabitant, (1,648,726 equity shares of face value ₹ 10 per share) in Indutch Composites Technology Private Limited (ICTPL), at ₹ 31.66 per share for a total cash consideration of ₹ 521.93 lacs, of which ₹ 24.41 lacs is deposited in an escrow mechanism. By virtue of this investment, ICTPL has become a subsidiary of the Company. Further, the Company has subscribed rights issue of 12,17,810 equity shares of face value ₹ 10 per share. Pursuant to the rights issue, the Company's holding has increased to 68%.

(ii) The amount of ₹ 24.41 lacs deposited in the Escrow account represents an amount equal to 5% of the total share purchase consideration, held as a security to meet any indemnification obligation of the Promoters. This amount will be released on the first anniversary of the closing date of the Share Purchase Agreement, after deductions of the amount of any outstanding indemnification claims that may have been made against Murwari BV by the Company. The amount lying in Escrow account is disclosed in Note no. 17 Other Bank Balances as an earmarked amount and the corresponding liabilities is shown under Note no 28 Other Current Financial Liabilities.

(iii) Details of Subsidiary:

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company	
			As at March 31, 2019	As at March 31, 2018
Indutch Composites Technology Private Limited	Designing, developing, testing and production of different types of composites moulds and products for different industries	**Place of Incorporation:** Vadodara, Gujarat **Principal Place of Business:** Vadodara and Chennai	68.00%	0.00%

(iv) Refer Note no. 3(v) for method followed for accounting of investments in subsidiaries.

	Particulars	As at March 31, 2019	As at March 31, 2018
10	**Deposits**		
	Unsecured, considered good		
	Deposits	203.52	158.50
	Total	**203.52**	**158.50**

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
11	**Deferred Tax Assets (Net)**		
	Deferred tax assets	2,898.10	2,850.04
	Deferred tax liabilities	(1,601.33)	(1,575.71)
	Total	**1,296.77**	**1,274.33**

For the Financial Year 2018-19

(Amount ₹ in Lacs)

Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax asset on account of				
Expenses claimed for tax purpose on payment basis	384.36	(39.20)	14.47	359.63
Provision for slow moving and obsolete items	65.58	(65.58)	-	-
Impairment of doubtful debts	1.20	-	-	1.20
MAT credit entitlement	2,398.90	138.39	-	2,537.28
Total Deferred Tax Assets (A)	**2,850.04**	**33.60**	**14.47**	**2,898.10**
Deferred tax liability on account of				
Property, plant and equipment & intangible assets	1,550.45	48.23	-	1,598.68
Impact of discounting of Warranty Provisions	3.07	(1.00)	-	2.08
Financial assets carried at fair value through profit or loss	22.19	(21.61)	-	0.57
Total Deferred Tax Liabilities (B)	**1,575.71**	**25.62**	**-**	**1,601.33**
Net Deferred Tax (A-B)	**1,274.33**	**7.97**	**14.47**	**1,296.76**
For the Financial Year 2017-18				
Deferred tax asset on account of				
Expenses claimed for tax purpose on payment basis	382.70	13.89	(12.23)	384.36
Provision for slow moving and obsolete items	-	65.58	-	65.58
Impairment of doubtful debts	-	1.20	-	1.20
MAT Credit entitlement	2,630.27	(231.37)	-	2,398.90
Total Deferred Tax Assets (A)	3,012.97	(150.70)	(12.23)	2,850.04
Deferred tax liability on account of				
Property, plant and equipment & intangible assets	1,512.83	37.62	-	1,550.45
Impact of discounting of warranty provisions	6.43	(3.36)	-	3.07
Impact of recognition of assets under Ind AS	12.98	(12.98)	-	-
Financial assets carried at fair value through profit or loss	35.34	(13.15)	-	22.19
Total Deferred Tax Liabilities (B)	**1,567.59**	**8.12**	**-**	**1,575.71**
Net Deferred Tax (A-B)	**1,445.38**	**(158.82)**	**(12.23)**	**1,274.33**

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
12	**Other Non-Current Assets**		
	Unsecured, considered good		
	Capital advances	642.19	208.14
	Advance for Leasehold land	-	559.47
	Advance Income tax (net of provisions)	29.60	12.37
	VAT/CST paid under protest	6.39	6.39
	Prepayments - Leasehold Land	2,317.51	1,257.81
	Total	**2,995.69**	**2,044.18**
13	**Inventories**		
	Raw Materials	1,447.53	1,186.35
	Work in Process	725.94	910.62
	Finished Goods	3,401.50	252.03
	Finished Goods- Stock in Transit	169.68	99.11
	Store and spares	264.89	279.01
	Total	**6,009.54**	**2,727.12**

(i) Inventory write downs/ provisions for slow-moving and obsolete items are accounted, considering the nature of inventory, ageing, liquidation plan and net realizable value. Provision for slow-moving and obsolete items of inventories amounted to ₹ 203.17 lacs (March 31, 2018: ₹ 191.07 lacs). The changes in provisions are recognized as an expense in the Statement of Profit and Loss.

(ii) Inventory of Finished goods includes inventory of tools & dies amounting to ₹ 2,867.35 lacs.

(iii) For Inventories given as security to lenders, refer Note No. 26.

(iv) The cost of inventories recognized as an expense is disclosed in Notes No. 33, 34 and 38 in the Statement of Profit and Loss.

	Particulars	As at March 31, 2019 (Units in Nos.)	As at March 31, 2019 (Amount ₹ in Lacs)	As at March 31, 2018 (Units in Nos.)	As at March 31, 2018 (Amount ₹ in Lacs)
14	**Investments-Current**				
	Financial assets carried at fair value through profit or loss:				
	Investment in Mutual Funds (Unquoted*)				
	HDFC High Int Fund - Dynamic Plan	-	-	6,10,105	359.48
	Reliance Liquid Fund TP	-	-	81,339	3,434.32
	Reliance Liquidity Fund	-	-	21,347	556.19
	Reliance Small Cap Fund	-	-	4,72,152	204.64
	HDFC Equity Fund	-	-	19,260	113.94
	HDFC Midcap Opportunities Fund	-	-	3,81,311	211.46
	HDFC Liquid Fund Growth	9,997	365.92	-	-
	Reliance Top 200 Fund	-	-	3,28,457	101.88
	ICICI Equity Arbitrage Fund	-	-	11,81,960	271.88
	DSP Blackrock Microcap Fund	-	-	1,22,034	76.41
	SBI Blue Chip Fund	-	-	2,84,072	105.74
	Motilal Oswal Most Focused Multicap Fund	7,19,327	186.84	7,19,327	189.21
	Kotak Equity Arbitrage Fund	-	-	10,96,987	272.75
	Kotak Select Focus Fund	-	-	5,82,569	185.33
	DSP Blackrock Opportunities Fund	86,483	193.01	86,483	182.94
	Total		**745.77**		**6,266.17**

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

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
15	**Trade receivables**		
	Unsecured, Considered good	14,586.31	15,819.88
	Credit impaired	3.43	3.43
	Total (A)	**14,589.74**	**15,823.31**
	Less: Impairment for doubtful trade receivables (B)	3.43	3.43
	Total (A-B)	**14,586.31**	**15,819.88**

(i) Generally, the Company enters into long-term sales arrangement with its customers. The average credit period is around 45 days.

(ii) At 31 March 2019, the Company had a single customer (31st March, 2018: single customer) having outstanding more than 5% of total trade receivables that accounted for approximately 90% (31st March, 2018: 92%) of total trade receivables outstanding.

(iii) The Company assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from its customers within due date.

(iv) No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

(v) **Movement of Impairment for doubtful trade receivables:**

(Amount ₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	3.43	-
Addition in expected credit loss allowance on trade receivables	-	3.43
Balance at end of the year	**3.43**	**3.43**

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
16	**Cash and Cash Equivalents**		
	Balances with banks		
	In Cash Credit Accounts	1,314.00	1,153.65
	In Current Accounts	10.03	5.54
	In Fixed Deposits	-	300.00
	Cash on hand	12.82	8.33
	Total	**1,336.85**	**1,467.52**
17	**Other Bank Balances**		
	Balances with banks		
	Unclaimed Dividend Accounts (earmarked)	106.75	100.79
	Balance in Escrow Accounts	24.41	-
	Deposit with bank held as margin money against Bank guarantee & LC	4.38	4.14
	Total	**135.54**	**104.93**
18	**Current Loans**		
	Unsecured, considered good		
	Loans to Employees	5.13	4.51
	Deposits	39.00	51.45
	Other advances	22.33	22.33
	Total	**66.46**	**78.29**
19	**Other Current Financial Assets**		
	Unsecured, considered good		
	Interest receivable	19.08	7.26
	Total	**19.08**	**7.26**
20	**Current Tax Assets (net)**		
	Current Tax Assets		
	Advance tax (net of provisions)	11.53	71.46
	Total	**11.53**	**71.46**
21	**Other Current Assets**		
	Unsecured, considered good		
	Balance with Government Authorities	229.17	41.58
	Deposit (Refer note below)	15.45	15.45
	Prepaid Expenses	220.96	224.97
	Prepayments - Leasehold Land	28.81	16.43
	Advance to Vendors	82.60	282.22
	Total	**576.99**	**580.65**

The Company had deposited ₹ 15.45 Lacs under protest towards octroi duty in a separate bank account jointly held with the Sarpanch, Waghodia Gram Panchayat. The State Government of Gujarat has notified that industrial units in the notified area of Waghodia is not required to pay the octroi duty from July 19, 1997. The Company believes it has no liability for octroi duty even for the earlier period and hence no provision has been made. In the absence of clarity regarding rights of respective parties, interest income credited by the bank amounting to ₹ **22.73 Lacs** (As at March 31, 2018: ₹ 21.43 Lacs) on the aforesaid amount till March 31, 2019 has not been recognized.

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
22	**Equity Share Capital**		
	Authorised Share capital		
	10,00,00,000 (As at March 31, 2018: 10,00,00,000; Equity Shares of ₹ 2 each)	2,000.00	2,000.00
	Unclassified Shares	500.00	500.00
	Total	**2,500.00**	**2,500.00**
	Issued, subscribed & fully paid share capital		
	10,00,00,000 (As at March 31, 2018: 10,00,00,000) Equity Shares of ₹ 2 each	2,000.00	2,000.00
	Total	**2,000.00**	**2,000.00**

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

(Amount ₹ in Lacs)

Particulars	No. of Shares	Share Capital
As at April 1, 2017	5,00,00,000	1,000.00
Add: Bonus shares issued	5,00,00,000	1,000.00
As at March 31, 2018	10,00,00,000	2,000.00
As at April 1, 2018	**10,00,00,000**	**2,000.00**
Add: Increase/(decrease) during the year	-	-
As at March 31, 2019	**10,00,00,000**	**2,000.00**

(ii) Rights, preferences and restrictions attached to shares

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

	Particulars	No. of shares	Extent of Holding
(iii)	**Details of shares held by holding company are classified as under:**		
	Thakur Devi Investments Private Limited		
	As at March 31, 2019	**7,48,06,450**	**74.81%**
	As at March 31, 2018	7,48,06,450	74.81%
(iv)	**Details of shareholders holding more than 5% shares in the Company are as under:-**		
	Thakur Devi Investments Private Limited		
	As at March 31, 2019	**7,48,06,450**	**74.81%**
	As at March 31, 2018	7,48,06,450	74.81%

(v) The Company had allotted 5,00,00,000 number of fully paid Bonus shares on July 13, 2017 in the ratio of one equity share of ₹ 2 each fully paid up for every one existing equity shares of ₹ 2 each fully paid up.

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
23	**Other Equity**		
	Capital Reserve	2.09	2.09
	General Reserves	1,848.73	1,848.73
	Retained Earnings	26,265.66	24,414.14
	Total	**28,116.48**	**26,264.96**

(i) **Particulars relating to Other Equity**

Other Equity	As at March 31, 2019	As at March 31, 2018
Capital Reserve		
Opening Balance	2.09	2.09
Add: Movements	-	-
Closing Balance (A)	**2.09**	**2.09**
General Reserves		
Opening Balance	1,848.73	2,848.73
Less: Utilised for issue of Bonus Shares	-	1,000.00
Closing Balance (B)	**1,848.73**	**1,848.73**
Retained Earnings		
Opening Balance	24,414.14	21,435.95
Add: Net profit after tax transferred from Statement of Profit & Loss	3,325.12	4,159.03
Add: Other Comprehensive income arising from re-measurement of defined benefit obligation net of income tax	(26.93)	22.76
Less: Dividend paid (amount per share ₹ 1.20 on 10,00,00,000 shares (Previous Year ₹ 2 on 5,00,00,000 shares))	(1,200.00)	(1,000.00)
Less: Tax on Dividend paid	(246.66)	(203.60)
Closing Balance (C)	**26,265.66**	**24,414.14**
Total (A+B+C)	**28,116.48**	**26,264.96**

(ii) Capital Reserve represents the profit on re-issue of forfeited shares.

(iii) The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not reclassified subsequently to profit or loss.

(iv) In respect of the year ended 31st March, 2019, the Board of Directors has proposed a final dividend of ₹ 1.00 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is ₹ 1000.00 lacs and the dividend distribution tax thereon amounts to ₹ 205.55 lacs.

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
24	**Borrowings - Non Current**		
	Secured		
	Term Loans		
	From Banks	1,295.27	1,609.24
	Total	**1,295.27**	**1,609.24**

(i) **Nature of security for long term secured borrowings including current maturities:**

Term loans	Nature of Security	Current Maturities of each loan (₹ in lacs)	Amount of Each Loan Outstanding (₹ in lacs)
From Bank **State Bank of India**			
Loan III	Loan is secured by way of mortgage/charge created on Fixed Assets of the Company's plant at Bawal, District - Rewari, Haryana.	- (25.00)	- (25.00)
Loan VI		**187.14** (187.14)	**284.38** (471.88)
Loan II	These loans are secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodara, Gujarat.	- (157.50)	- (157.50)
Loan V		**64.00** (264.00)	**64.00** (328.00)
Loan VII		**166.64** (166.64)	**458.42** (625.06)
HDFC Bank Limited			
Loan I	Theses loans are secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Dharuhera, District - Rewari, Haryana.	**250.00** (250.00)	**437.50** (687.50)
Loan II		**83.33** (83.33)	**145.83** (229.17)
Loan III		**125.00** (125.00)	**218.75** (343.75)
Loan IV		**150.00** -	**712.50** -

(ii) **The terms of repayment of the above loans are as follows:**

Term Loans	Date of Maturity	Rate of Interest	No. of Instalments due after the balance sheet date	Amount of Each Instalment in ₹ in lacs
From Bank **State Bank of India**				
Loan III	April, 2018	MCLR + 1.05%	**-** (1)	**-** (25.00)
Loan VI	July, 2020	MCLR + 1.05%	**6** (8)	**46.88** (46.88)
Loan II	July, 2018	MCLR + 1.05%	**-** (2)	**-** (78.75)
Loan V	June, 2019	MCLR + 1.05%	**1** (5)	**64.00** (64.00)
Loan VII	October, 2022	MCLR + 1.05%	**11** (15)	**41.66** (41.66)

NOTES TO THE FINANCIAL STATEMENTS

Term Loans	Date of Maturity	Rate of Interest	No. of Instalments due after the balance sheet date	Amount of Each Instalment in ₹ in lacs
HDFC Bank Limited				
Loan I	December, 2020	Base Rate + 0.20%	**7** (11)	**62.50** (62.50)
Loan II	December, 2020	Base Rate + 0.20%	**7** (11)	**20.83** (20.83)
Loan III	December, 2020	Base Rate + 0.20%	**7** (11)	**31.25** (31.25)
Loan IV	November, 2023	MCLR + 0.00%	**19** -	**37.50** -

Previous year figures are in bracket

(Amount ₹ in Lacs)

	Particulars	**As at March 31, 2019**	**As at March 31, 2018**
25	**Long-term provisions**		
	Provision for employee benefits (For details refer note no. 43)		
	Gratuity	53.08	75.91
	Leave Encashment	408.84	343.13
	Provision for others		
	Warranties	77.24	70.99
	Total	**539.16**	**490.03**

(i) **Movement in warranties provision:**

(Amount ₹ in Lacs)

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Opening balance	**86.79**	**79.55**
Additions during the year	23.65	21.74
Amount utilised during the year	(9.35)	(3.90)
Provision reversed during the year	(15.08)	(16.06)
Unwinding of discount on provisions	6.35	5.46
Closing balance	**92.36**	**86.79**
Long-term Provisions	77.24	70.99
Short-term Provisions	15.12	15.80

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

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
26	**Borrowings - Current**		
	Loans repayable on demand from banks		
	Secured (see note below)	17.59	8.69
	Unsecured	1,000.00	-
	Total	**1,017.59**	**8.69**
	(i) These loans are secured by a first charge on inventories, receivables and all other current assets of the Company.		
27	**Trade Payables**		
	(A) due to micro enterprises and small enterprises	2,950.33	165.29
	(B) due to other than micro enterprises and small enterprises	10,585.57	13,385.39
	Total	**13,535.90**	**13,550.68**
	This information as required to be disclosed under Micro Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. Information in terms of section 22 of Micro, Small and Medium Enterprises Development Act, 2006 are given below;		
	Trade payables -Total outstanding dues of Micro & Small enterprises*		
	(a) Principal & Interest amount remaining unpaid but not due as at year end		
	- Principal	2,950.33	165.29
	- Interest	39.54	6.76
	(b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
	(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
	(d) Interest accrued and remaining unpaid as at year end	39.54	6.76
	(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	48.07	41.32
	*Based on the confirmation from Vendors.		
28	**Other Financial Liabilities**		
	Current maturities of long term debt	1,026.11	1,258.61
	Interest accrued and due on borrowings	26.67	24.96
	Unclaimed Dividends	106.75	100.79
	Security Deposits	29.19	16.19
	Expenses payable	312.79	255.40
	Payable to Employees	672.80	596.26
	Payable on account of Acquisition of Subsidiary	24.41	-
	Payable for Capital Goods	580.51	119.20
	Total	**2,779.23**	**2,371.40**

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019	As at March 31, 2018
29	**Other Current liabilities**		
	Liability for statutory payments	859.40	1,167.00
	Advance from Customers	1,280.65	69.58
	Total	**2,140.05**	**1,236.58**
30	**Provisions**		
	Provision for employee benefits (For details refer note no. 43)		
	Gratuity	137.71	117.51
	Leave Encashment	413.60	502.91
	Provision for Others		
	Warranties (Refer note no. 25 for details)	15.12	15.80
	Total	**566.43**	**636.22**

(Amount ₹ in Lacs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
31	**Revenue from Operations**		
	Sale of Products		
	Components of Automobile (including excise duty)	1,13,851.38	1,04,710.23
	Other Operating Revenue		
	Sale of scrap	844.36	932.89
	Export Incentives	2.33	4.02
	Total	**1,14,698.07**	**1,05,647.14**
32	**Other Income**		
	Interest income on financial assets carried at amortised cost		
	Deposit with bank and others	9.51	9.96
	Loans to subsidiary	13.81	-
	Dividend Income		
	Dividend received on investments carried at fair value through Profit or Loss	-	130.88
	Cash Discount	27.38	24.99
	Net Profit on sale of Current Investments	83.50	32.72
	Net gain on investments carried at fair value through Profit or Loss	9.34	219.10
	Exchange fluctuation (net)	8.68	-
	Other non-operating income		
	Sundry balances written back (net)	42.76	-
	Miscellaneous Income	4.30	1.40
	Insurance Claim Received	21.84	20.88
	Incentive from State Government	170.16	-
	Total	**391.28**	**439.93**
33	**Cost of materials consumed**		
	Cost of materials consumed	92,528.30	79,651.10
	Total	**92,528.30**	**79,651.10**

(Amount ₹ in Lacs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
34	**Changes in inventories of finished goods, Stock-in -Trade and work-in-progress**		
	Opening stock		
	Finished goods	252.03	500.56
	Work-in-progress	910.61	509.15
	Finished Goods- Stock in Transit	99.11	-
	Total (A)	**1,261.75**	**1,009.71**
	Closing stock		
	Finished goods	3,401.50	252.03
	Work-in-progress	725.94	910.62
	Finished Goods- Stock in Transit	169.68	99.11
	Total (B)	**4,297.12**	**1,261.76**
	Total(A-B)	**(3,035.37)**	**(252.05)**
35	**Employee Benefits Expense**		
	Salaries and wages	5,805.67	5,311.33
	Contribution to provident and other funds	656.58	613.03
	Staff welfare expenses	312.07	233.67
	Total	**6,774.32**	**6,158.03**
36	**Finance Costs**		
	Interest on		
	Borrowings from Banks	260.34	369.10
	Others	104.65	48.02
	Other costs	9.58	10.14
	Unwinding of discount on provisions	6.35	5.46
	Total	**380.92**	**432.72**
37	**Depreciation and amortization expense**		
	Depreciation on property, plant and equipment	1,811.06	1,773.85
	Amortisation of intangible assets	63.89	44.85
	Total	**1,874.95**	**1,818.70**

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
38	**Other Expenses**		
	Consumption of Stores & Spares, Tools	3,581.00	3,138.22
	Power and fuel	2,092.64	1,977.48
	Freight Charges	933.57	927.76
	Repairs and Maintenance		
	Repairs to Buildings	19.70	30.92
	Repairs to Machinery	353.22	210.51
	Repairs and Maintenance - Others	178.85	126.97
	Research and Development Expenses	257.02	-
	Rent	267.07	156.86
	Wages to Contractors	2,104.80	1,971.07
	Professional Charges	160.51	253.82
	Insurance Premium	144.37	141.81
	Audit Fees	16.50	16.50
	Loss on property, plant and equipment sold/discarded (Net)	146.42	0.11
	Rates and Taxes excluding taxes on income	20.38	25.83
	Charity & Donation / CSR Expenses	97.40	78.80
	Warranty Expenses	8.57	5.68
	Exchange fluctuation (net)	-	6.55
	Impairment of doubtful trade receivables	-	3.43
	Miscellaneous Expenses	1,901.08	1,424.92
	Total	**12,283.11**	**10,497.24**
	(i) Payment to auditors has been classified below (Excluding Taxes)		
	As Auditors	16.50	16.50
	For Taxation Matters	4.00	4.75
	For Certification	12.00	12.00
	For Other Services	6.00	9.75
	For Out of pocket expenses	0.45	1.58
	Total	**38.95**	**44.58**

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

(a) Gross amount required to be spent by the Company during the year: ₹ **78.87 lacs** (Previous Year: ₹ 76.54 lacs)

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

(Amount ₹ in Lacs)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
	-	-	-
(ii) On purposes other than (i) above	**79.10**	**-**	**79.10**
	(70.00)	**-**	(70.00)

Amounts in bracket indicate previous year figures.

(Amount ₹ in Lacs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(iii)	**Research and development expenses :**		
	Expenses charged to revenue account		
	Raw material consumption	38.88	-
	Consumables	-	-
	Employee benefits	211.77	-
	Travelling & Other Exp	6.36	-
	Total	**257.01**	**-**
	Capital Expenditure		
	Equipments	46.95	-
	Furniture & fixtures	0.07	-
	Office Equipments	-	-
	Software	-	-
	Computer	-	-
	Total	**47.02**	**-**
39	**Tax Expense**		
	Current tax in relation to		
	Current years	930.78	1,101.32
	Earlier years	35.19	21.86
	Deferred Tax		
	In respect of current year	115.94	(60.33)
	Unused Tax Credits	(138.39)	231.38
	Total income tax expense recognised in the current year	**943.53**	**1,294.23**
(i)	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Profit before tax	4,241.72	5,476.02
	Income tax expense calculated at 34.94% (2017-18: 34.61%)	1,482.23	1,895.14
	Tax effects of amounts which are not deductible/(taxable) in calculating taxable income		
	Expenses not allowed in Income Tax	137.31	56.94
	Effect of income exempt/ taxed on lower rate	0.29	(64.60)
	Effect of deduction under section 80JJA of the Income tax Act, 1961	(18.23)	-
	Effect of deduction under section 80IC of the Income tax Act, 1961	(499.57)	(471.85)
	Additional deduction on research and product development cost	(53.12)	-
	Difference in tax rate from 34.61% to 34.94%	-	(66.22)
	Tax adjustment of earlier years	(121.04)	(35.61)
	Others	15.67	(19.57)
		943.53	**1,294.23**

NOTES TO THE FINANCIAL STATEMENTS

40 Contingent Liabilities and Commitments (to the extent not provided for)

(A) Contingent liabilities not provided for in respect of

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(Amount ₹ in Lacs)

	March 31, 2019	March 31, 2018
Claims against the company not acknowledged as debt under the labour laws	53.93	44.12
Income Tax	21.81	6.37
Excise Duty	58.76	58.76
Sales Tax	50.79	31.89

(i) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above pending resolution of the arbitration/appellate proceedings.

(iii) Income Tax

The Company is involved in tax disputes amounting to ₹ **21.81 lacs** (as at 31st March, 2018 ₹ 6.37 lacs) relating to Income Tax. This mainly relate to the disallowance under section 14A of the Income Tax Act, 1961 and interest thereon which is pending at Appellate level.

(iv) Excise Duty

The Excise Authorities had denied a CENVAT credit amounting to ₹ **29.38 lacs** and imposed a penalty of ₹ **29.38 lacs** for a period between June, 2008 to March, 2009 (₹ 29.38 lacs and ₹ 29.38 lacs CENVAT credit and penalty respectively at 31st March, 2018) in respect of CENVAT credit availed on supplementary invoices raised by the Customer on account of material supplied by them. The Company is contesting the show cause notice.

(v) Sales Tax

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹ **50.79** (as at 31st March, 2018 ₹ 31.89). The details of the demands are as follows:

The Sales Tax authorities have denied input tax credit and levied interest & penalty thereon due to varied reasons aggregating to ₹ **31.89 lacs** (as at 31st March, 2018 ₹ 31.89 lacs). The reasons for disallowing credit was mainly due to not allowing set off of taxes on LPG Gas and other materials used in manufacturing and also not allowing full deduction of taxes paid. Further, there is levy of purchase tax on purchase of LPG Gas. The matter is contested in appeal.

The Sales Tax authorities have demanded tax aggregating to ₹ **18.90 lacs** (as at 31st March, 2018 ₹ Nil) on account of tax being levied on inter-state stock transfers. The matter is contested in appeal.

(vi) Provident Fund

There are numerous interpretative issues relating to the SC Judgement on Provident Fund dated 28th February, 2019. The Company has initiated the process of evaluating the impact of said judgement, if any, on its financials. Due to various complexities involved presently in ascertaining the impact, the Company is not able to reliably estimate the quantum of provision, if any, required to be made as at 31st March, 2019. The Company will make necessary provision, if any, on receiving further clarity on the subject and on completion of its impact evaluation process on the matter.

(B) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) including investment property	1,719.35	127.06
(b) Commitment with respect to the leasehold land to be purchased	-	536.84

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
41	**Earnings per share**		
	Profit after tax for the year attributable to equity shareholders (₹ in Lacs)	3,325.12	4,159.03
	Weighted average number of equity shares (in Nos.)	10,00,00,000	10,00,00,000
	Basic and Diluted earnings per equity share (in ₹)	3.33	4.16
	Face Value per equity share (in ₹)	2.00	2.00

42 Leases

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

Lease payments are recognized in the Statement of Profit and Loss under "Rent" in Note 38.

43 Employee Benefits

(a) Defined Contribution Plans

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

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

(i) Provident fund and Pension

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

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

(ii) Superannuation fund

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

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

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

(Amount ₹ in Lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's contribution to Provident and other Funds	347.38	310.51
Employer's contribution to Superannuation Fund	106.43	84.45
Total	**453.81**	**394.97**

NOTES TO THE FINANCIAL STATEMENTS

(b) Defined Benefit Plan

(i) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognized Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2019 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review.

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

(I) Investment Risk

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

(II) Interest Rate Risk

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

(III) Longevity Risk

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

(IV) Salary Risk

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

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

(Amount ₹ in Lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Service Cost		
Current Service Cost	117.51	106.39
Past service cost and loss/(gain) on curtailments and settlement	-	29.98
Net interest expense/ (income)	10.23	15.20
Components of defined benefit costs recognised in Employee Benefit Expenses	**127.74**	**151.57**
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	21.10	(31.79)
Actuarial (gains)/losses arising from experience adjustments	14.27	2.01
Return on Plan Assets excluding amount included in net interest cost	6.03	(5.21)
Components of Re-measurement	41.40	(34.99)
Total	**169.14**	**116.58**

(Amount ₹ in Lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:		
Present Value of funded defined benefit obligation	1,369.68	1,174.07
Fair value of plan assets	1,178.89	980.66
Net liability arising from defined benefit obligation	**190.79**	**193.41**
Movements in the present value of the defined benefit obligation are as follows:		
Opening defined obligation	1,174.07	1,032.07
Current service cost	117.51	106.39
Interest cost	83.10	61.86
Re-measurement (gains)/losses :		
Actuarial (gains)/ losses arising from changes in financial assumptions	21.10	(31.79)
Actuarial (gains)/ losses arising from experience adjustments	14.27	2.01
Past Service Cost	-	29.98
Benefits paid	(40.37)	(26.45)
Closing defined benefit obligation	**1,369.68**	**1,174.07**
Movements in the fair value of plan assets are as follows:		
Opening value of plan assets	980.66	766.28
Interest income	72.87	46.66
Return on plan assets excluding amounts included in interest income	(6.03)	5.21
Contributions by employer	171.77	187.96
Benefits paid	(40.37)	(25.45)
Closing value of plan assets	**1,178.89**	**980.66**

Classification of Non-Current and Current Liability:

(Amount ₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current liability	137.71	117.51
Current liability	53.08	75.91
Total	**190.79**	**193.41**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal Rates	10.00% p.a. at younger ages reducing to 1.00 % p.a. at older ages	10.00% p.a. at younger ages reducing to 1.00 % p.a. at older ages
Discount Rate (%)	7.35%	7.60%
Salary escalation rate (%)	7.50%	7.50%
Rate of Return on Plan Assets (%)	7.35%	7.60%

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
The fair value of the plan assets at the end of the reporting period for each category are as follows:		
100% managed by insurer (Life Insurance Corporation of India)	1,178.89	980.66

Fair value of Investment in Group of Insurance Company is taken as book value on reporting date.

The actual return on plan assets of gratuity during the year is ₹ **66.84 lacs** (during previous year ended 31st March, 2018: ₹ 51.87 lacs)

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount ₹ in Lacs)

Significant actuarial assumptions	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount Rate		
- Impact due to increase of 50 basis points	1,328.18	1,140.92
- Impact due to decrease of 50 basis points	1,414.14	1,209.51
Salary increase		
- Impact due to increase of 50 basis points	1,410.93	1,208.06
- Impact due to decrease of 50 basis points	1,330.12	1,141.63
Withdrawal Rate		
- Impact due to increase of 10 percent	1,369.41	1,173.88
- Impact due to decrease of 10 percent	1,369.65	1,173.00

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

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

(Amount ₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Maturity Profile of Defined Benefit Obligations:		
Zero to Four years	50.40	46.96
Four to Ten years	395.12	306.14
Ten to Fifteen years	66.74	63.97
Fifteen and above	857.42	757.00
Total	**1,369.68**	1,174.07

The Company expects to make a contribution of ₹ **137.71 lacs** (as at 31st March, 2018: ₹ 117.51 lacs) to the defined benefit plans during the next financial year.

(c) Other long term employee benefit plans

Leave encashment

Amount of ₹ **120.31 lacs** (31st March 2018 ₹ 109.98 lacs) is recognized as expenses and included in note no. 35 “Employee benefit expense”.

44 Impairment of Assets

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at 31st March, 2019.

45 Segment Reporting

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

(Amount ₹ in Lacs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from:		
Outside India	91.32	139.56
In India	1,14,606.75	1,05,507.58

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

The Company's significant revenues (more than 94%) are derived from single entity. The total revenue from such entities amounted to ₹ **1,08,853.95 lacs** (for the year ended 31st March, 2018: ₹ 1,00,102.52 lacs)

46 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

47 The Company has given loans to the following subsidiary for their working capital requirements.

(₹ in Lacs)

Name of the subsidiary	Maximum amount Outstanding during the year 2018-19	Maximum amount Outstanding during the year 2017-18
Indutch Composites Technology Private Limited	**1,050.00**	Not Applicable

48 Disclosure pursuant to SEBI (Listing obligation and disclosure requirements) regulations 2015:

(₹ in Lacs)

Particulars	Outstanding as at March 31, 2019	Maximum Amount Outstanding during the year 2018-19	Outstanding as at March 31, 2018	Maximum Amount Outstanding during the year 2017-18
Loans to Subsidiary:			Not Applicable	
Indutch Composites Technology Private Limited	-	1,050.00		

49 Financial Instrument Disclosure:

(a) Capital Management

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

(Amount ₹ in Lacs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Equity share capital	2,000.00	2,000.00
Other Equity	28,116.48	26,264.96
Total Equity (A)	**30,116.48**	**28,264.96**
Non-current borrowings	1,295.27	1,609.24
Short term borrowings	1,017.59	8.69
Current maturities of long term borrowings	1,026.11	1,258.61
Gross Debt (B)	**3,338.96**	**2,876.54**
Gross Debt as above	3,338.96	2,876.54
Less: Current investments	745.77	6,266.17
Less: Cash and cash equivalents	1,336.85	1,467.52
Less: Other balances with bank (including earmarked balances)	135.54	104.93
Net Debt (C)	**1,120.80**	**(4,962.09)**
Net debt to equity	**0.04**	**(0.18)**

(b) Disclosures

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

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

(i) Financial assets and liabilities

The following tables presents each category of financial assets and liabilities as at 31st March, 2019 and 31st March, 2018.

(Amount ₹ in Lacs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
I. Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Investments in mutual funds	745.77	6,266.17
Measured at amortised cost		
Trade and other receivables	14,586.31	15,819.88
Cash and cash equivalents	1,336.85	1,467.52
Other bank balances	135.54	104.93
Loans	269.97	236.79
Other financial assets	19.08	7.26
Total	**17,093.53**	**23,902.57**
II. Financial Liabilities		
Measured at amortised cost		
Long term borrowings	1,295.27	1,609.24
Short term borrowings	1,017.59	8.69
Trade payables	13,535.90	13,550.68
Other financial liabilities	2,779.23	2,371.40
Total	**18,627.98**	**17,540.01**

(ii) Fair value measurement

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

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

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

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

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

(Amount ₹ in Lacs)

Financial assets	Fair value as at March 31, 2019	Fair value as at March 31, 2018	Fair value hierarchy
Investment in mutual funds	745.77	6,266.17	Level 1

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

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

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

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and March 31, 2018.

(iii) Financial risk management objectives

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

(a) Market risk

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

(I) Foreign Currency Risk

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

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

(Amount ₹ in Lacs)

Foreign Currency Exposure	As At March 31, 2019	As At March 31, 2018
Assets	21.19	17.40
Liabilities	6.09	11.06

The Company has not entered in to any forward contracts to hedge its foreign exposures and therefore there are no outstanding forward contract at the year end (as at 31st March, 2018: Nil)

NOTES TO THE FINANCIAL STATEMENTS

Foreign Currency Sensitivity:

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

(Amount ₹ in Lacs)

USD sensitivity at year end	For the year ended 31st March 2019	For the year ended 31st March 2018
Assets		
Weakening of INR by 5%	1.06	0.87
Strengthening of INR by 5%	(1.06)	(0.87)
Liabilites		
Weakening of INR by 5%	(0.30)	(0.55)
Strengthening of INR by 5%	0.30	0.55
EURO sensitivity at year end		
Assets		
Weakening of INR by 5%	0.00	0.00
Strengthening of INR by 5%	(0.00)	(0.00)
Liabilites		
Weakening of INR by 5%	-	-
Strengthening of INR by 5%	-	-

(II) Interest rate risk

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

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

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

(III) Price risk

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

NAV price sensitivity analysis

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

Profit for the year ended 31st March, 2019 would increase/decrease by ₹ **7.46 lacs** (for the year ended 31st March, 2018: increase/decrease by ₹ 62.66 lacs).

(b) Credit risk

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

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

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

(Amount ₹ in Lacs)

Particulars	As At March 31, 2019	As At March 31, 2018
Within the credit period	14,586.31	15,819.88
Upto 6 months past due	-	-
More than 6 months past due	3.43	3.43
Total	**14,589.74**	**15,823.31**

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

(c) Liquidity risk

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

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

(Amount ₹ in Lacs)

Particulars	1 month -1 year	1 year – 3 years	More than 3 years
As at March 31, 2019			
Long term borrowings	1,026.11	1,032.77	262.50
Short term borrowings	1,017.59	-	-
Trade payables	13,535.90	-	-
Other financial liabilities	1,753.12	-	-
Total	**17,332.71**	**1,032.77**	**262.50**
As at March 31, 2018			
Long term borrowings	1,258.61	1,609.24	-
Short term borrowings	8.69	-	-
Trade payables	13,550.68	-	-
Other financial liabilities	1,112.79	-	-
Total	**15,930.77**	**1,609.24**	**-**

NOTES TO THE FINANCIAL STATEMENTS

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

As at March 31, 2019			
Trade and other receivables	14,586.31	-	-
Investments in Mutual funds	745.77	-	-
Loans	66.46	-	203.52
Other financial assets	19.08	-	-
Total	**15,417.62**	**-**	**203.52**
As at March 31, 2018			
Trade and other receivables	15,819.88	-	-
Investments in Mutual funds	6,266.17	-	-
Loans	78.29	-	158.50
Other financial assets	7.26	-	-
Total	**22,171.60**	**-**	**158.50**

The Company has access to committed credit facilities as described below, of which ₹ **9,992.65 lacs** were unused at the end of the reporting year (as at 31st March, 2018 ₹ 3,751.79 lacs). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(Amount ₹ in Lacs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Credit facilities		
Amount used	**3,380.35**	2,877.21
Amount unused	**9,992.65**	3,751.79

50 Disclosure as required by Indian Accounting Standard -115 are given below:-

(i) The Company derives revenues from sale of goods, scrap and services from its contracts with customers. The revenues have been disclosed in Note No. 31 "Revenue from Operations".

The revenues are further disaggregated into revenues from domestic as well as export market. Refer Note No. 45 "Segment Reporting" for details.

(ii) The Company does not have any contract asset. The opening and closing balances of trade receivables and Contract liability are as under:

(₹ in Lacs)

Particulars	**As at 31st March 31, 2019**	As at 31st **March 31, 2018**
Trade Receivables	**14,586.31**	15,819.88
Contract Liability		
Advances from customers	**1,280.65**	69.59

(iii) There is no any transaction price which is yet to be recognize on account of remaining outstanding performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

51 Related Party Disclosures:

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

(A) Holding Company:

Thakurdevi Investments Private Limited

(B) Key Managerial Personnel:

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

(C) Enterprise in which directors and their relatives are partner/member/trustee

Sara Investments

Inder Mohini Bhasin Charitable Foundation

Sudhir Kumar & Sons HUF

(D) Subsidiary Company:

Indutch Composites Technology Private Limited (with effect from 22nd May, 2018)

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

(Amount ₹ in Lacs)

Nature of Transaction	**Holding Company**	**Subsidiary Company**	**Key Managerial personnel**	**Enterprise in which directors and their relatives are directors**	**Total**
Remuneration paid	**-**	**-**	**827.77**	**-**	**827.77**
	-	-	(817.43)	-	(817.43)
Mr. Sudhir Kumar Munjal	**-**	**-**	**272.17**	**-**	**272.17**
	-	-	(272.17)	-	(272.17)
Mrs. Anju Munjal	**-**	**-**	**238.15**	**-**	**238.15**
	-	**-**	(238.15)	-	(238.15)
Mr. Anuj Munjal	-	-	**238.15**	**-**	**238.15**
	-	**-**	(238.15)	-	(238.15)
Mr. S. K. Sharma	-	-	**57.58**	**-**	**57.58**
	-	-	(50.07)	-	(50.07)
Mr. Rakesh Johari	-	-	**21.72**	**-**	**21.72**
	-	-	(18.89)	-	(18.89)

NOTES TO THE FINANCIAL STATEMENTS

Sitting Fees paid	-	-	**16.00**	-	**16.00**
	-	-	(19.12)	-	(19.12)
Mr. Vikram Shah	-	-	**4.40**	-	**4.40**
	-	-	(4.72)	-	(4.72)
Mr. Naresh Kumar Chawla	-	-	**2.80**	-	**2.80**
	-	-	(3.40)	-	(3.40)
Mr. Mahendra Sanghvi	-	-	**3.00**	-	**3.00**
	-	-	(3.60)	-	(3.60)
Mr. Ramkisan Devidayal	-	-	**3.40**	-	**3.40**
	-	-	(3.80)	-	(3.80)
Mr. Sudesh Kumar Duggal	-	-	**0.60**	-	**0.60**
	-	-	(2.20)	-	(2.20)
Mr. Jal Ratanshaw Patel	-	-	**1.80**	-	**1.80**
	-	-	(1.40)	-	(1.40)
Payments made by the	**113.26**	-	**35.00**	**119.22**	**267.48**
Company on behalf of	(138.93)	-	-	(42.68)	(181.61)
Thakurdevi Investments Private Limited	**113.26**	-	-	-	**113.26**
	(138.93)	-	-	-	(138.93)
Sara Investments	-	-	-	**105.87**	**105.87**
	-	-	-	(30.88)	(30.88)
Sudhir Kumar & Sons HUF	-	-	-	**13.25**	**13.25**
	-	-	-	(11.80)	(11.80)
Inder Mohini Bhasin Charitable Foundation	-	-	-	**0.10**	**0.10**
	-	-	-	-	-
Mr. Sudhir Kumar Munjal	-	-	**35.00**	-	**35.00**
	-	-	-	-	-
Dividend Paid	**897.68**	-	-	-	**897.68**
	(748.06)	-	-	-	(748.06)
Thakurdevi Investments Private Limited	**897.68**	-	-	-	**897.68**
	(748.06)	-	-	-	(748.06)
Rent Paid	-	-	-	**175.54**	**175.54**
	-	-	-	-	-
Sara Investments	-	-	-	**175.54**	**175.54**
	-	-	-	-	-
Deposit Paid	-	-	-	**27.05**	**27.05**
	-	-	-	-	-
Sara Investments	-	-	-	**27.05**	**27.05**
	-	-	-	-	-
Interest received	-	**13.81**	-	-	**13.81**
	-	-	-	-	-
Indutch Composites Technology Private Limited	-	**13.81**	-	-	**13.81**
	-	-	-	-	-
Investment in Subsidiary	-	**2,480.00**	-	-	**2,480.00**
	-	-	-	-	-
Indutch Composites Technology Pvt. Ltd.	-	**2,480.00**	-	-	**2,480.00**
	-	-	-	-	-
Loan Given	-	**1,050.00**	-	-	**1,050.00**
	-	-	-	-	-
Indutch Composites Technology Pvt. Ltd.	-	**1,050.00**	-	-	**1,050.00**
	-	-	-	-	-

Loan Received back	-	**1,050.00**	-	-	**1,050.00**
	-	-	-	-	-
Indutch Composites Technology Pvt. Ltd.	-	**1,050.00**	-	-	**1,050.00**
	-	-	-	-	-
Balance as at the year end :					
Remuneration payable	-	-	**32.79**	-	**32.79**
	-	-	(34.01)	-	(34.01)
Mr. Sudhir Kumar Munjal	-	-	**12.39**	-	**12.39**
	-	-	(15.93)	-	(15.93)
Mrs. Anju Munjal	-	-	**6.43**	-	**6.43**
	-	-	(4.86)	-	(4.86)
Mr. Anuj Munjal	-	-	**10.12**	-	**10.12**
	-	-	(9.55)	-	(9.55)
Mr. S. K. Sharma	-	-	**2.84**	-	**2.84**
	-	-	(2.56)	-	(2.56)
Mr. Rakesh Johari	-	-	**1.01**	-	**1.01**
	-	-	(1.11)	-	(1.11)
Interest receivable	-	**12.43**	-	-	**12.43**
	-	-	-	-	-
Indutch Composites Technology Pvt. Ltd.	-	**12.43**	-	-	**12.43**
	-	-	-	-	-

Amounts in bracket indicate previous year figures.

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

(Amount ₹ in Lacs)

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Short-term employee benefits	730.96	728.17
Post-employment benefits (excluding Leave encashment)	96.81	89.76

(d) Terms and conditions of transactions with related parties:

(i) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

(ii) Loans given to the subsidiary carries interest rate of 7% p.a.

(iii) There is no allowance account for impaired receivables in relation to any outstanding balances and no expense has been recognised in respect of impaired receivables due from related party.

(iv) All outstanding balances are unsecured and are repayable/receivable in cash.

52 Previous year's figures have been regrouped, wherever necessary, to conform to current year classification.

53 The financial statement of the Company are approved by the Board of Directors on 22nd May, 2019.

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 106237W
Vishal P. Doshi
Partner
Membership No. 101533
Place : Vadodara
Date : May 22, 2019

S. K. Sharma
Chief Financial Officer

Rakesh Johari
Company Secretary

For and on behalf of the Board of Directors
Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Waghodia, Vadodara
Date : May 22, 2019

INDEPENDENT AUDITOR'S REPORT

To

THE MEMBERS OF
MUNJAL AUTO INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Munjal Auto Industries Limited** ("the Holding Company" or "the Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary as referred to in the paragraph 2 of "Other Matters" section, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor in terms of their report referred into paragraph 2 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
1.	<u>**Recognition and Measurement of Deferred Taxes including Minimum Alternate Tax (MAT) credit:**</u> ***(Refer to note 5(xv), 11 and 41 (a) & (b) to the consolidated financial statements)*** The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of tax base of assets and liabilities. This requires significant calculations on account of the tax regulations, most of which are complex. The effects and the measurement of deferred tax assets and liabilities require detailed knowledge of the applicable tax law. We have considered the recognition and measurement of deferred tax assets including MAT credit as Key Audit Matter as recognition	<u>**Principal Audit Procedures**</u> Our audit procedures included the following:· - Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax asset by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts. - Inquiry and critical analysis of the management judgement on recognition of deferred tax asset. - Assessing the adequacy of the deferred tax disclosures to the financial statements.

	of these assets involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.	***Conclusion:*** Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.
2	**Litigations and Claims** ***(Refer to note 5(xvi) and 42 to the consolidated financial statements)*** Litigation and claims are pending with multiple tax and regulatory authorities and there are claims from employees which have not been acknowledged as debt by the Company. In the normal course of business, financial exposures may arise from pending legal/regulatory proceedings and from above referred claims not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the consolidated financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the financial statements, is inherently subjective.We have considered Litigations and claims as Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.	**Principal Audit Procedures** Our audit procedures included the following: - Understanding the current status of disputed tax matters and other litigations and claims and discussing selected matters with the entity's management. - Critically assessing the entity assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation. ***Conclusion:*** Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.
3	**Business Combination - Investment in Subsidiary** ***(Refer to note 2, 5(i) to (iv) and 7 to the consolidated financial statements)*** The Holding Company acquired 55% interest in shareholding of Indutch Composites Technology Private Limited ("subsidiary") on 22nd May,2018, making it a subsidiary of the Holding Company from that date. The Holding Company further subscribed to the rights issue of the subsidiary, leading to 68% shareholding as at the year end. This transaction falls under the scope of Ind AS 103-Business Combinations, which requires significant management judgement in determining the fair value of assets acquired,including intangible assets which are inherently judgmental. Our key audit matter focuses on the valuation of assets acquired (including intangibles) and thecompletenessof liabilities associated with the acquisition. Given the significant level of judgement involved, we identified this as a key audit matter.	**Principal Audit Procedures** Our audit procedures included the following: - Reviewing of the acquisitionrelated agreements to obtain an understanding of the terms of acquisition. - Identification and measurement of the acquiredassets and liabilities. - Testing of the above identification based on our discussion with management and understanding of the acquired company's business. - Reviewing of valuation of assets, done by external valuer. We have assessed the competence, capabilities and objectivity of the external expert engaged by management. - Reviewed the disclosures in the financial statements. ***Conclusion:*** Based on the procedures described above, we did not identify any material exceptions to the management's treatment, presentation and disclosure of the subject matter in financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, and report of the other auditor as furnished to us (refer paragraph 2 of Other Matters section below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including total comprehensive income,consolidated changes in equity and consolidated cash flows of the Groupin accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group incorporated in India have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by him. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The comparative financial information of the Group is not presented since this being the first year of consolidated financial statements.
2. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 7,362.80 lacs as at 31st March 2019, total revenues of ₹ 7,549.29 lacs , total comprehensive income (comprising of profit and other comprehensive income) of ₹ 446.93 lacs and net cash inflows amounting to ₹ 613.67 lacs for the year ended on that date, as considered in the consolidated financial statements.These financial statements have been audited by another auditor whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements and on the other financial information of subsidiary, as noted in "Other Matters" paragraph 2 above, we report, to the extent applicable, that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
   b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
   c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;
   d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
   e. on the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 and taken

on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.;

f. with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

g. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group companies to its directors during the year is in accordance with the provisions of section 197 of the Act, where applicable;and

h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 42 to the consolidated financial statements;

   ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

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

Vishal P. Doshi
Partner
Membership No.101533

Place : Vadodara
Date : 22nd May, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to financial statements of **Munjal Auto Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiary company as of 31st March, 2019 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vishal P. Doshi
Partner
Membership No.101533

Place : Vadodara
Date : 22nd May, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(Amount ₹ in Lacs)

Particulars	Note No	As at March 31, 2019 (Refer note no. 7)
ASSETS		
(1) Non-Current Assets		
(a) Property, plant and equipment	8	19,742.21
(b) Capital work-in-progress		2,493.93
(c) Goodwill on consolidation		46.05
(d) Other Intangible Assets	9	232.46
(e) Financial Assets		
(i) Deposits	10	516.82
(f) Deferred Tax Assets (Net)	11	1,340.56
(g) Other non-current assets	12	4,554.45
Total Non-Current Assets		**28,926.49**
(2) Current Assets		
(a) Inventories	13	7,459.89
(b) Financial assets		
(i) Investments	14	746.88
(ii) Trade receivables	15	16,193.07
(iii) Cash and cash equivalents	16	2,060.80
(iv) Other bank balances	17	263.34
(v) Loans	18	112.05
(vi) Other financial assets	19	10.42
(c) Current tax assets (net)	20	11.53
(d) Other current assets	21	634.42
Total Current Assets		**27,492.41**
Total Assets		**56,418.89**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	22	2,000.00
(b) Other equity	23	27,711.01
Equity attributable to owners of the Parent		**29,711.01**
(c) Non Controlling Interest	24	1,200.20
Total Equity		**30,911.21**
Liabilities		
(1) Non-Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	25	2,654.82
(ii) Other Financial liabilities	26	161.05
(b) Provisions	27	686.02
Total Non-Current Liabilities		**3,501.89**
(2) Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	28	1,017.59
(ii) Trade payables	29	
(A) due to micro enterprises and small enterprises		2,991.40
(B) due to other than micro enterprises and small enterprises		12,111.42
(iii) Other financial liabilities	30	2,978.59
(b) Other current liabilities	31	2,326.66
(c) Current Tax Liabilities (Net)	20	6.20
(d) Provisions	32	573.93
Total current liabilities		**22,005.79**
Total Equity and Liabilities		**56,418.89**
Significant Accounting Policies and Notes to ConsolidatedFinancial Statements	1-53	

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 106237W
Vishal P. Doshi
Partner
Membership No. 101533
Place : Vadodara
Date : May 22, 2019

S. K. Sharma
Chief Financial Officer

Rakesh Johari
Company Secretary

For and on behalf of the Board of Directors

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Waghodia, Vadodara
Date : May 22, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Amount ₹ in Lacs)

	Particulars	Note No.	For the year ended March 31, 2019 (Refer note no. 7)
I	Revenue from operations	33	1,21,403.43
II	Other income	34	406.75
III	**Total Income (I+II)**		**1,21,810.18**
IV	**EXPENSES**		
	Cost of materials consumed	35	94,530.80
	Changes in inventories of finished goods and work-in-progress	36	(3,410.36)
	Employee benefits expense	37	8,564.56
	Finance costs	38	427.99
	Depreciation and amortization expenses	39	2,026.58
	Other expenses	40	14,801.78
	Total Expenses (IV)		**1,16,941.35**
V	**Profit Before Tax (III-IV)**		**4,868.84**
VI	**Tax expense**	41	
	(a) Current tax relating to:		
	current year		1,129.58
	earlier years		35.19
	(b) Deferred tax		(26.05)
VII	**Profit for the year (V-VI)**		**3,730.11**
VIII	**OTHER COMPREHENSIVE INCOME (OCI)**		
	Items that will not be reclassified to profit or loss		
	(i) Re-measurement of the defined benefit plans		(40.86)
	- tax impact		14.32
			(26.54)
IX	**Total Comprehensive Income for the year (VII+VIII)**		**3,703.57**
	Profit for the year attributable to:		
	- Owners of the Company		3,596.66
	- Non-controlling interests		133.45
			3,730.11
	Other comprehensive income for the year		
	- Owners of the Company		(26.67)
	- Non-controlling interests		0.13
			(26.54)
	Total comprehensive income for the year		
	- Owners of the Company		3,569.99
	- Non-controlling interests		133.58
			3,703.57
X	Earnings per equity share		
	Basic and diluted (each ₹)	43	**3.73**
	Significant Accounting Policies and Notes to Consolidated Financial Statements	1-53	

As per our report of even date attached
For K. C. Mehta & Co.,
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Place : Waghodia, Vadodara
Date : May 22, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Equity Share Capital (Amount ₹ in Lacs)

Particulars	
Balance as on March 31, 2018	2,000.00
Additions / (Reductions)	-
Balance as on 31st March, 2019	**2,000.00**

Other Equity

(Amount ₹ in Lacs)

Particulars	Reserves and Surplus			Attributable to owners of the Parent	Non-Controlling Interest	Total
	Capital Reserve	General Reserve	Retained Earnings			
Balance as at March 31, 2018	2.09	1,848.73	24,414.13	26,264.95	-	26,264.95
Profit for the year	-	-	3,596.66	3,596.66	133.45	3,730.11
Re-measurement of defined benefit plans (net of tax)	-	-	(26.67)	(26.67)	0.13	(26.54)
Total comprehensive income for the year	**-**	**-**	**3,569.99**	**3,569.99**	**133.58**	**3,703.57**
Transaction with honour of the parent						
Payment of dividend	-	-	(1,200.00)	(1,200.00)	-	(1,200.00)
Tax on dividend	-	-	(246.66)	(246.66)	-	(246.66)
Total Distributions	**-**	**-**	**(1,446.66)**	**(1,446.66)**	**-**	**(1,446.66)**
Changes in Ownership Interests						
Acquisition of Subsidiary and Non-Controlling Interest	-	-	(754.63)	(754.63)	1,143.98	389.35
Change in Non-Controlling interest due to Rights issue	-	-	77.37	77.37	(77.37)	-
Total Changes in Ownership Interests	**-**	**-**	**(677.26)**	**(677.26)**	**1,066.61**	**389.35**
Balance as at March 31, 2019	**2.09**	**1,848.73**	**25,860.20**	**27,711.01**	**1,200.20**	**28,911.21**

As per our report of even date attached
For K. C. Mehta & Co.,
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Date : May 22, 2019

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Place : Waghodia, Vadodara
Date : May 22, 2019

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Amount ₹ in Lacs)

		For the year ended March 31, 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Profit before tax	4,881.50
	Adjustments for:	
	Depreciation and amortisation expense	2,013.91
	Interest to Banks	386.18
	Loss on Property, Plant and Equipment sold/discarded (net)	146.42
	Unwinding of discount	8.23
	Re-measurement of Defined benefit plans	(42.19)
	Interest Income	(20.25)
	Net Profit on sale of Current Investments	(83.50)
	Net gain on investments carried at fair value through Profit or Loss	(9.34)
	Sundry balances written back (net)	(42.76)
	Unrealised foreign exchange loss/(gain)	2.50
	Operating profit before changes in working capital	**7,240.71**
	Adjustment for (increase)/decrease in operating assets	
	Inventories	(3,888.06)
	Trade receivables	1,181.93
	Other financial assets	(1,718.10)
	Other assets	(3.64)
	Adjustment for increase/(decrease) in operating liabilities	
	Trade payables	538.70
	Provisions	123.57
	Other liabilities	234.14
	Cash flow from operations after changes in working capital	**3,709.25**
	Net Direct Taxes (Paid)/Refunded	(1,136.98)
	Net Cash Flow from/(used in) Operating Activities	**2,572.27**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**	
	Purchase of property, plant and equipment including capital advances & CWIP	(6,624.98)
	Proceeds from sale of property, plant and equipment	13.49
	Investment in Subsidiary	(521.93)
	Purchase of Investments	(23,340.38)
	Sale of Investments	28,952.51
	Interest Income	22.82
	Bank Balances not considered as Cash and Cash Equivalents	3.18
	Net Cash Flow from/(used in) Investing Activities	**(1,495.28)**

CONSOLIDATED STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019 (Continued)

	(Amount ₹ in Lacs) For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Borrowings	1,801.79
Repayment of Borrowings	(1,296.47)
Payment of dividend	(1,200.00)
Payment of dividend distribution tax	(246.66)
Net Increase/(Decrease) in Working Capital Borrowings	817.20
Interest Expenses	(384.55)
Net Cash Flow from/(used in) Financing Activities	**(508.69)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**568.29**
Cash & cash equivalents at beginning of year (see note)	1,492.65
Cash and cash equivalents at end of year (see note)	**2,060.95**
Notes:	
1 Cash and cash equivalents comprise of:	
Cash on hands	13.72
Balance with banks	
In current accounts	133.23
In Cash Credit Accounts	1,314.00
In fixed deposits	600.00
Cash and cash equivalents as restated	**2,060.95**

2 Figures of the previous year have been regrouped / reclassified wherever necessary.

3. Reconciliation of Liabilities from financial activities:

(Amount ₹ in Lacs)

Particulars	Long-term borrowings	Short-term borrowings
Opening Balance	3,194.09	200.38
Cash flow	505.32	817.20
Non Cash Changes	-	-
Closing Balance	3,699.41	1,017.59

As per our report of even date attached
For K. C. Mehta & Co.,
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DIN - 00007914

Place : Waghodia, Vadodara
Date : May 22, 2019

Notes to the consolidated financial statements

1 Corporate information

Munjal Auto Industries Limited ('the Company') is a public limited company domiciled and incorporated in India having its registered office at 187, GIDC Estate, Waghodia, District: Vadodara- 391760. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). As at March 31, 2019, Thakur Devi Investments Private Limited, the holding Company owned 74.81% of the Company's equity share capital.

The Consolidated financial statements relates to the Company and its Subisidary (collectively referred as "the Group"). The Group is mainly engaged in manufacturing and selling of Auto components and designing, developing, testing and production of different types of composites moulds and products for different industries.

2 Acquisition of Indutch Composites Technology Private Limited

During the year on May 22, 2018, the Company has acquired 55.00% shareholding held by Murwari BV, a Company registered under the laws of the Netherlands and Mr. Johannes Ter Laak, a Netherlands inhabitant, (1,648,726 equity shares of face value ₹ 10 per share) in Indutch Composites Technology Private Limited (ICTPL), at ₹ 30.18 per share for a total cash consideration of ₹ 521.93 lacs. By virtue of this investment, ICTPL has become a subsidiary of the Company. Further, the Company has subscribed rights issue of 12,17,810 equity shares of face value ₹ 10 per share. Pursuant to the rights issue, the Company's holding has increase to 68%.

The acquisition has been evaluated as a business acquisition under Business Combinations and are accounted for under the purchase method.

3 Application of new Indian Accounting Standards

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

Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the new Ind AS and certain amendments to existing Ind ASs. They shall come into force on April 1, 2019 and therefore, the Group shall apply the same with effect from that date.

(a) New Indian Accounting Standard (Ind AS 116) "Leases"

Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases" w.e.f. April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as prescribed in Ind AS 17. The effect on the Financial statements on adoption of Ind AS 116 is being evaluated by the Group.

(b) Other Amendments

Several other Indian Accounting Standards have been amended on various issues with effect from April 1, 2019. The following amendments are relevant to the Company:

(i) Ind AS 12 "Income Taxes"- Income tax consequences of dividend and uncertainty over income tax treatments;

(ii) Ind AS 19 "Employee Benefits"- Accounting for plan amendment, curtailment or settlement;

(iii) Ind AS 23 "Borrowing Costs"- Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

(iv) Ind AS 109 "Financial Instruments"- Measurement of prepayment features with negative compensation in case of debt instruments.

None of these amendments are expected to have any material effect on the Group's Consolidated financial statements.

4 Basis of preparation and presentation:

i. Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

ii. Basis of preparation

During the year, the Company has acquired 55% stake in Indutch Composites Technology Private Limited (ICTPL) from Murwari BV. The Company has further subscribed to Rights Shares and thus increasing its stake to 68% in ICTPL. The acquisition transaction has been accounted for under Purchase method.

These consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The consolidated financial statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal Lacs except otherwise stated.

iii. Operating Cycle

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

5 Significant Accounting Policies

i. Principles of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiary (collectively referred as "the Group").

Subsidiary is entity controlled by the Company. The Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is consolidated from the date of their acquisition (except for Business Combinations under Common Control), being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

The Consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's Significant Accounting Policies.

The Consolidated Financial Statements have been prepared by combining the financial statements of the company and its subsidiary on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or the cost on initial recognition as investment in an associate or a joint venture, when applicable.

ii. **Business Combination**

Acquisitions of businesses (except for Business Combinations under Common Control) are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively;
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained by the Group during the 'measurement period' about facts and circumstances that existed at the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period recognising additional assets or liabilities (if any) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

iii. **Non Controlling Interest**

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders.

Non-controlling interests are initially measured at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

iv. Goodwill on Consolidation

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the Profit and Loss.

v. Property, plant and equipment

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

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

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

In case of Holding Company, depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act. In case of a Subsidiary Company, depreciation is charged on a pro-rata basis at the written down value method over estimated economic useful lives of its property, plant and equiment. Estimated useful lives of these assets of group are as under:

Description	Years
Building	30-60
Leasehold Improvements	over the lease period
Plant & Machinery	15
Furniture and Fixtures	10
Vehicles	8
Office Equipment	5
Computers	3

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

vi. Intangible Assets

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

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

vii. Impairment of tangible and intangible assets

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

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

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

viii. Inventories

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

Scrap is valued at estimated net realisable value.

In case of Holding Company, inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. However, in case of Subsidiary Company, inventory of stores and spare parts is valued at FIFO basis at cost or net realisable value, whichever is lower.

Provisions are made for obsolete and non-moving inventories.

ix. Revenue Recognition

The Group earns revenue primarily from sale of goods.

The Group has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11. The new Standard is applied to contracts that were remaining in force as at 1st April, 2018. The application of the standard does not have any significant Impact on the retained earnings as at 1st April, 2018 or on these financial statements.

(a) Sale of goods

Revenues are recognized when the Group satisfies the performance obligation by transferring a promised goods to a customer. A good is transferred when the customer obtains control of that product, which is at the point of transfer of custody to customers where usually the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration and represents amounts receivable for goods and services provided in the normal course of business, net off Goods and Services Tax (GST), etc. Any retrospective revision in prices is accounted for in the respective year to which such revision belongs.

(b) Dividend and interest income

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

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

(c) Other income

Other income is recognized on accrual basis except when realisation of such income is uncertain.

x. Government Grants

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to revenue are recognized on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

xi. Leases

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

xii. Foreign Currency Transactions

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

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

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

xiii. Borrowing costs

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

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

xiv. Employee Benefits

(a) Short-term employee benefits

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

(b) **Post-employment Benefits**

(1) **Defined Contribution Plan**

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

(2) **Defined Benefit Plan**

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

(c) **Other long term employee benefits**

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

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

xv. Income Taxes

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

(a) **Current Tax**

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

(b) **Deferred Tax**

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

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

(c) Current and deferred tax for the year

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

xvi. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

Product Warranty expenses

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

xvii. Financial Instruments

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

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

xviii. Financial Assets

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

(a) Financial assets at amortised cost

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

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

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

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

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

(c) Financial assets at fair value through Profit or Loss

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

(d) Impairment of financial assets

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

(e) Derecognition of financial assets

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

xix. Financial Liabilities and Equity Instruments

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

(a) Financial liabilities

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

(b) Equity instruments

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

(c) Derecognition of financial liabilities

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

xx. Research and Development Expenditure

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Consolidated Statement of Profit and Loss, as and when incurred.

xxi. Statement of Cash Flows

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

6 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

(i) Critical judgments in applying accounting policies

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

(a) Evaluation of indicators for impairment of Property, Plant and Equipment

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

(ii) Assumptions and key sources of estimation uncertainty

(a) Assets and obligations relating to employee benefits

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

(b) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

(c) Estimation of provision for warranty

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

(d) Provision for slow moving and obsolete items in Inventory Valuation

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

7 Business Combination:

On 22nd May, 2018, the Company acquired 55% equity stake in Indutch Composites Technology Private Limited (ICTPL), a non-listed company based in India and engaged in designing, developing, testing and production of different types of composites moulds and products for different industries, for a cash consideration of ₹ 521.93 lacs. The Company acquired ICTPL because of diversification of business. The financial results of ICTPL from the date of acquisition to 31st March, 2019 have been included in the Consolidated financial statements of the Group.

The Group has elected to recognise the Non-Controlling Interest at its proportionate share of the acquired net identifiable assets.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of ICTPL as at the date of acquisition were:

Particulars	**₹ in lacs**
Assets:	
Property, Plant & Equipment	661.69
Intangible Assets	1.09
Inventories	844.71
Trade Receivables	1,554.98
Cash and Cash Equivalents	25.13
Other Bank Balances	152.30
Loans and Advances	345.87
Other financial assets	7.47
Other Assets	369.75
Deferred tax assets	25.87
Total (A)	**3,988.84**
Liabilities:	
Borrowings	471.88
Trade Payables	1,053.69
Other Financial Liabilities	254.67
Other Current Liabilities	1,089.76
Post benefit employee benefit obligations	253.62
Total (B)	**3,123.61**
Total net assets at fair value	**865.23**
Satisfied by:	
Cash Consideration	**521.93**
Non-Controlling Interest on acquisition	389.35
Less: Fair Value of identifiable net assets	865.23
Goodwill	**46.05**
Impact on Cash Flows:	

Cash Flows:	
Outflow of cash to acquire subsidiary, net of cash acquired	**₹ in lacs**
Cash Consideration	**521.93**
Less: Balances acquired	
Cash	**3.72**
Other Bank Balances	**173.70**
Bank Overdraft	**-**
Net outflow of cash-investing activites	**344.51**

The Gross carrying amount of acquired receivables which includes trade receivables, loans and other advances, equals the fair value of receivables. None of the receivables was impaired and the full contractual amounts were expected to be realised.

The goodwill is attributable to the workforce. It will not be deductible for tax purposes.

Acquisition cost of ₹ 12.00 lacs related to acquisition of ICTPL have been charged to Consolidated Statement of Profit and Loss under Other Expenses.

Since the date of acquistion, ICTPL has contributed ₹ 6,705.36 lacs to the Group revenue and has increased the profit before taxation by '585.72 lacs for the year ended 31st March, 2019

If ICTPL had been acquired at the beginning of the year, the revenue of the Group would have been ₹ 122,247.46 lacs and the profit before tax of the Group would have been ₹ 4,922.70 lacs.

On June 14, 2018, the Company has subsribed to rights issue of ICTPL and acquired an additional 13% interest in ICTPL and increasing its ownership interest from 55% to 68%. Due to such subscription to rights issue, there is dilution of Non-Controlling Interest by 13%. Due to such change, there is adjustment to retained earnings of ₹ 77.37 lacs from Non-Controlling Interest to the parent's share in retained earnings.

Notes to the financial statements

8 Property, Plant and Equipment (Amount ₹ in Lacs)

Particulars /Assets	Tangible Assets								Total
	Freehold Land	Building	Plant & Equipment	Lease hold Improve-ments	Furniture & Fixtures	Vehicles	Office Equipment	Computers	
GROSS BLOCK									
At April 1, 2018	1,717.19	5,336.82	12,753.04	323.36	328.84	841.92	196.23	74.06	21,571.44
Additions	**79.67**	**989.36**	**2,356.33**	**359.39**	**96.19**	**38.30**	**14.34**	**48.59**	**3,982.17**
Deduction/Adjustments	-	-	**178.90**	**-**	**-**	**20.87**	**0.41**	**0.19**	**200.37**
At 31st March, 2019	**1,796.86**	**6,326.18**	**14,930.46**	**682.74**	**425.03**	**859.36**	**210.16**	**122.46**	**25,353.25**
ACCUMULATED DEPRECIATION									
At 1st April, 2017	-	182.32	1,389.17	-	14.17	51.38	19.67	13.92	1,670.64
Charge for the year	-	207.36	1,426.31	-	14.67	86.75	23.56	15.18	1,773.84
Deduction/Adjustments	-	-	3.17	-	-	3.65	0.68	0.38	7.88
At 31st March, 2018	-	394.93	2,897.25	53.75	36.17	164.07	86.39	58.16	3,690.72
Charge for the year	-	**216.12**	**1,469.81**	**83.64**	**18.92**	**116.78**	**29.88**	**25.62**	**1,960.77**
Deduction/Adjustments	**-**	**-**	34.63	-	-	5.64	-	0.19	40.46
At 31st March, 2019	**-**	**611.05**	**4,332.43**	**137.39**	**55.09**	**275.22**	**116.27**	**83.58**	**5,611.03**
Net Block									
At 31st March, 2018	1,717.19	4,941.89	9,855.78	269.61	292.67	677.85	109.84	15.90	17,880.72
At 31st March, 2019	**1,796.86**	**5,715.12**	**10,598.03**	**545.36**	**369.94**	**584.14**	**93.89**	**38.88**	**19,742.21**

Notes:

1 The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

2 For details of property, plant and equipment given as security to lenders, refer Note No. 25.

3 The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

4. Contractual obligations: Refer to note 42 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

Notes to the financial statements

(Amount ₹ in Lacs)

	Particulars /Assets	Computer Software	Total
9	**Intangible Assets**		
	GROSS BLOCK		
	At March 31, 2018	325.86	325.86
	Additions	54.16	54.16
	Deduction/Adjustments	-	-
	At March 31, 2019	**380.02**	**380.02**
	ACCUMULATED AMORTISATION		
	At 31st March, 2018	81.75	81.75
	Charge for the year	65.81	65.81
	Deduction/Adjustments	-	-
	At 31st March, 2019	**147.56**	**147.56**
	Net Block		
	At 31st March, 2018	244.11	244.11
	At 31st March, 2019	**232.46**	**232.46**

1 The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

2 The aggregate amortisation charge for the year has been included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

	Particulars	As at March 31, 2019
10	**Deposits**	
	Unsecured, considered good	
	Deposits	516.82
	Total	**516.82**

1) Deposits are largely in relation to public utilities and rental Aggrements.

2) However, the Group has not taken exhaustive search for information to assess significant increase in the credit risk since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
11	**Deferred Tax Assets (Net)**	
	Deferred tax assets	2,941.90
	Deferred tax liabilities	(1,601.33)
	Total	**1,340.56**

For the Financial Year 2018-19

(Amount ₹ in Lacs)

Particulars	Deferred Tax Assets	Deferred Tax Liabilities
Opening Balance as at 1st April, 2018	**2,850.04**	**1,575.71**
Add : on account of Business Combination during the year - acquisition of Subsidiary	**31.42**	**5.56**
Deferred Tax recognized in Statement of Profit and Loss on account of:		
Expenses claimed for tax purpose on payment basis	(39.20)	-
Provision for slow moving and obsolete items	(65.58)	-
MAT Credit entitlement	138.39	-
Property, plant and equipment & intangible assets	18.07	48.23
Impact of discounting of Warranty Provisions	-	(1.00)
Financial assets carried at fair value through profit or loss	-	(21.61)
Deferred Tax recognized in Other Comprehensive Income on account of:		
Expenses claimed for tax purpose on payment basis	14.32	-
Total	**2,947.45**	**1,606.89**
Net Deferred Tax		**1,340.56**

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
12	**Other Non-Current Assets**	
	Unsecured, considered good	
	Capital advances	1,429.11
	Advance Income tax (net of provisions)	70.93
	VAT/CST paid under protest	131.04
	Retention with Customer	605.85
	Prepayments - Leasehold Land	2,317.51
	Total	**4,554.45**
13	**Inventories**	
	Raw Materials	1,910.39
	Work in Process	813.03
	Finished Goods	4,301.90
	Finished Goods- Stock in Transit	169.68
	Store and spares	264.89
	Total	**7,459.89**

(i) Inventory write downs/ provisions for slow-moving and obsolete items are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Provision for slow-moving and obsolete items of inventories amounted to ₹ 203.17 lacs. The changes in provisions are recognised as an expense in the Consolidated Statement of Profit and Loss.

(ii) Inventory of Finished goods includes inventory of tools & dies amounting to ₹ 2,867.35 lacs

(iii) For Inventories given as security to lenders, refer Note No. 28.

(iv) The cost of inventories recognised as an expense is disclosed in Notes No. 35, 36 and 40 in the Consolidated Statement of Profit and Loss.

Particulars	As at March 31, 2019 (Units in Nos.)	As at March 31, 2019 (Amount ₹ in Lacs)
14 Investments		
Financial assets carried at fair value through profit or loss:		
Investment in Mutual Funds (Unquoted)		
HDFC Liquid Fund Growth	9,997	365.92
Motilal Oswal Most Focused Multicap Fund	7,19,327	186.84
DSP Blackrock Micro Cap Fund	110	1.10
DSP Blackrock Opportunities Fund	86,483	193.01
Total		**746.88**

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

(Amount ₹ in Lacs)

Particulars	As at March 31, 2019
15 Trade receivables	
Unsecured, Considered good	16,193.07
Credit impaired	3.43
Total (A)	**16,196.50**
Less: Impairment for doubtful trade receivables (B)	**3.43**
Total (A-B)	**16,193.07**

(i) Generally, the Group enters into long-term sales arrangement with its customers. The average credit period is 45-60 days.

(ii) At March 31, 2019, the Group had two customers having outstanding more than 5% of total trade receivables that accounted for approximately 86% of total trade receivables outstanding.

(iii) The Group assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from its customers within due date.

(iv) No trade receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

(v) During the year ₹ 105.46 lacs receivables have been derecognised since there is no reasonable expection of measurability in terms of its probability of the amount and timing or receivability.

(vi) Movement of Impairment for doubtful trade receivables:

(Amount ₹ in Lacs)

Particulars	As at March 31, 2019
Balance at beginning of the year	3.43
Addition in expected credit loss allowance on trade receivables	-
Balance at end of the year	**3.43**
16 Cash and Cash Equivalents	
Balances with banks	
In Cash Credit Accounts	1,314.00
In Current Accounts	133.23
In Fixed Deposits	600.00
Cash on hand	13.57
Total	**2,060.80**

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
17	**Other Bank Balances**	
	Balances with banks	
	Unclaimed Dividend Accounts (earmarked)	106.75
	Balance in Escrow Account	24.41
	Deposit with bank held as margin money against Bank guarantee & LC	132.18
	Total	**263.34**
18	**Current Loans**	
	Unsecured, considered good	
	Loans to Employees	10.85
	Deposits	78.87
	Other advances	22.33
	Total	**112.05**
19	**Other Current Financial Assets**	
	Unsecured, considered good	
	Interest receivable	10.42
	Total	**10.42**
20	**Current Tax Assets (net)**	
	(A) In case of the Holding Company	
	Current Tax Assets	
	Advance tax (net of provisions)	11.53
	Total	**11.53**
	(B) In Case of Subsidiary Company	
	Current Tax Liabilities	
	Advance tax (net of provisions)	6.20
	Total	**6.20**
21	**Other Current Assets**	
	Unsecured, considered good	
	Balance with Government Authorities	229.17
	Deposit (Refer note below)	15.45
	Prepaid Expenses	252.35
	Prepayments - Leasehold Land	28.81
	Advance to Vendors	108.64
	Total	**634.42**

The Company had deposited ₹ 15.45 Lacs under protest towards octroi duty in a separate bank account jointly held with the Sarpanch, Waghodia Gram Panchayat. The State Government of Gujarat has notified that industrial units in the notified area of Waghodia is not required to pay the octroi duty from July 19, 1997. The Company believes it has no liability for octroi duty even for the earlier period and hence no provision has been made. In the absence of clarity regarding rights of respective parties, interest income credited by the bank amounting to ₹ 22.73 Lacs on the aforesaid amount till 31st March, 2019 has not been recognised.

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
22	**Equity Share Capital**	
	Authorised Share capital	
	10,00,00,000 Equity Shares of ₹ 2 each	2,000.00
	Unclassified Shares	500.00
	Total	**2,500.00**
	Issued, subscribed & fully paid share capital	
	10,00,00,000 Equity Shares of ₹ 2 each	2,000.00
	Total	**2,000.00**

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

(Amount ₹ in Lacs)

Particulars	No. of Shares	Share Capital
As at 1st April, 2018	**10,00,00,000**	**2,000.00**
Add: Increase/(decrease) during the year	-	-
As at 31st March,2019	**10,00,00,000**	**2,000.00**

(ii) **Rights, preferences and restrictions attached to shares**

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

	Particulars	No. of shares	Extent of Holding
(iii)	**Details of shares held by holding company are classified as under:**		
	Thakur Devi Investments Private Limited		
	As at 31st March, 2019	**7,48,06,450**	**74.81%**
(iv)	**Details of shareholders holding more than 5% shares in the Company are as under:-**		
	Thakur Devi Investments Private Limited		
	As at March 31, 2019	**7,48,06,450**	**74.81%**

(v) The Holding Company had allotted 5,00,00,000 number of fully paid Bonus shares on July 13, 2017 in the ratio of one equity share of ₹ 2 each fully paid up for every one existing equity shares of ₹ 2 each fully paid up.

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
23	**Other Equity**	
	Capital Reserve	2.09
	General Reserves	661.15
	Retained Earnings	27,047.77
	Total	**27,711.01**

(i) **Particulars relating to Other Equity**

Other Equity		As at March 31, 2019
Capital Reserve		
Opening Balance		2.09
Add: Movements	-	-
Closing Balance (A)		**2.09**
General Reserves		
Opening Balance		1,848.73
Add: Movements		-
Closing Balance (B)		**1,848.73**
Retained Earnings		
Opening Balance		24,414.13
Add: Net profit after tax transferred from Statement of Profit & Loss		3,596.66
Add: Other Comprehensive income arising from re-measurement of defined benefit obligation net of income tax		(26.67)
Less: Acquisition of Subsidiary and Non-Controlling Interest		(754.63)
Add: Change in Non-Controlling interest due to Rights issue		77.37
Less: Dividend paid (amount per share ₹ **1.20 on 10,00,00,000 shares**)		(1,200.00)
Less: Tax on Dividend paid		(246.66)
Closing Balance (C)		**25,860.20**
Total (A+B+C)		**27,711.01**

(ii) Capital Reserve represents the profit on re-issue of forfeited shares.

(iii) The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not reclassified subsequently to profit or loss.

(iv) In respect of the year ended March 31, 2019, the Board of Directors has proposed a final dividend of ₹ 1.00 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is ₹ 1000.00 lacs and the dividend distribution tax thereon amounts to ₹ 205.55 lacs.

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
24	**Non-Controlling Interests (NCI)**	
	Balance at beginning of year	
	Initial recognition of NCI on Business Combination- acquisition of new interest	1,143.98
	Share in profit for the year	133.45
	Share in OCI	0.13
	Change in interest due to Rights issue	(77.37)
	Total	**1,200.20**

Details of non-wholly owned subsidiay of the Group that have material non-controlling interest as at March 31, 2019 and for the year ended then:

(₹ in Lacs)

Name of subsidiary	Place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests	Profit allocated to non-controlling interests	Accumulated non-controlling interests
Indutch Composites Technology Private Limited	India	32%	133.58	1,200.20

Summarised financial information in respect of each of the Group's subsidiary- Indutch Composites Technology Private Limited that has material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations as at and for the year ended 31st March, 2019:

(Amount ₹ in Lacs)

Particulars	As at March 31, 2019
Non-current assets (refer note below)	3,380.33
Current assets	4,016.76
Non-current liabilities	1,679.89
Current liabilities	1,966.59
Equity attributable to owners of the Company	**2,527.10**
Non-controlling interests	1,200.20
Revenue	7,584.16
Expenses	6,839.12
Profit/(loss) for the year (refer note below)	**433.70**
Profit/(loss) attributable to owners of the Company	287.30
Profit/(loss) attributable to the non-controlling interests	146.40
Profit/(loss) for the year	**433.70**
Other comprehensive income attributable to owners of the Company	0.39
Other comprehensive income attributable to the non-controlling interests	0.18
Other comprehensive income for the year	**0.57**
Total comprehensive income attributable to owners of the Company	287.69
Total comprehensive income attributable to the non-controlling interests	146.58
Total comprehensive income for the year	**434.27**
Dividends paid to non-controlling interests	-
Net cash inflow/(outflow) from operating activities	(994.36)
Net cash inflow/(outflow) from investing activities	(1,715.93)
Net cash inflow/(outflow) from financing activities	3,323.66
Net cash inflow/(outflow)	**613.37**

Note: Since the acquisition has been evaluated as a business acquisition under Business Combinations and are accounted for under the purchase method, Non Current Assets above include the impact of Fair Valuation of Assets and Profit is adjusted on account of depreciation of the depreciable assets based on their fair values at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
25	**Borrowings**	
	Secured	
	Term Loans	
	From Banks	2,654.82
	Total	**2,654.82**

(i) Nature of security for long term secured borrowings including current maturities:

Term loans	Nature of Security	Current Maturities of each loan (₹ in lacs)	Amount of Each Loan Outstanding (₹ in lacs)
From Banks: **State Bank of India**	Loan is secured by way of mortgage/charge created on Fixed Assets of the Company's plant at Bawal, District - Rewari, Haryana.		
Loan III		- (25.00)	- (25.00)
Loan VI		**187.14** (187.14)	**284.38** (471.88)
Loan II	These loans are secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodara, Gujarat.	- (157.50)	- (157.50)
Loan V		**64.00** (264.00)	**64.00** (328.00)
Loan VII		**166.64** (166.64)	**458.42** (625.06)
Loan - 1	Loan is secured by way of mortgage/charge created on Fixed Assets of the Company's plant at Halol, District - Panchamahal and Waghodia, District - Vadodara, Gujarat.	15.60 (15.60)	24.15 (39.75)
Loan - 2		- -	1,347.58 -
HDFC Bank Limited **Loan I**	Theses loans are secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Dharuhera, District - Rewari, Haryana.	**250.00** (250.00)	**437.50** (687.50)
Loan II		**83.33** (83.33)	**145.83** (229.17)
Loan III		**125.00** (125.00)	**218.75** (343.75)
Loan IV		**150.00** -	**712.50** -

NOTES TO THE FINANCIAL STATEMENTS

(ii) The terms of repayment of the above loans are as follows:

Term Loans	Date of Maturity	Rate of Interest	No. of Instalments due after the balance sheet date	Amount of Each Instalment in ₹ in lacs
From Banks **State Bank of India**				
Loan III	April, 2018	MCLR + 1.05%	**-** (1)	**-** (25.00)
Loan VI	July, 2020	MCLR + 1.05%	**6** (8)	**46.88** (46.88)
Loan II	July, 2018	MCLR + 1.05%	**-** (2)	**-** (78.75)
Loan V	June, 2019	MCLR + 1.05%	**1** (5)	**64.00** (64.00)
Loan VII	October, 2022	MCLR + 1.05%	**11** (15)	**41.66** (41.66)
Loan 1	December, 2020	MCLR + 4.20%	20 32	1.30 (1.30)
Loan 2	March, 2027	MCLR + 0.40%	26 -	119.23 -
HDFC Bank Limited				
Loan I	December, 2020	Base Rate + 0.20%	**7** (11)	**62.50** (62.50)
Loan II	December, 2020	Base Rate + 0.20%	**7** (11)	**20.83** (20.83)
Loan III	December, 2020	Base Rate + 0.20%	**7** (11)	**31.25** (31.25)
Loan IV	November, 2023	MCLR + 0.00%	**19** -	**37.50** **-**

(Amount ₹ in Lacs)

	Particulars	**As at March 31, 2019**
26	**Other Financial liabilities**	
	Unsecured	
	Finance Lease	161.05
	Total	**161.05**

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	For the year ended March 31, 2019
27	**Long-term provisions**	
	Provision for employee benefits (For details refer note no. 45)	
	Gratuity	121.41
	Leave Encashment	444.95
	Provision for others	
	Warranties	119.67
	Total	**686.02**
	(i) Movement in warranties provision:	
	Opening balance	**86.79**
	Additions during the year	69.09
	Amount utilised during the year	(9.35)
	Provision reversed during the year	(15.08)
	Unwinding of discount on provisions	8.26
	Closing balance	**139.71**
	Long-term Provisions	**119.67**
	Short-term Provisions	**20.04**

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

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
28	**Borrowings**	
	Loans repayable on demand from banks	
	Secured	17.59
	Unsecured	1,000.00
	Total	**1,017.59**
	(i) These loans are secured by a first charge on inventories, receivables and all other current assets of the Holding Company.	
29	**Trade Payables**	
	(A) due to micro enterprises and small enterprises	2,991.40
	(B) due to other than micro enterprises and small enterprises	12,111.42
	Total	**15,102.82**

This information as required to be disclosed under Micro Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Information in terms of section 22 of Micro, Small and Medium Enterprises Development Act, 2006 are given below;

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
	Trade payables -Total outstanding dues of Micro & Small enterprises*	
	(a) Principal & Interest amount remaining unpaid but not due as at year end	
	- Principal due	2,786.13
	- Principal not due	205.27
	- Interest	-
	(b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-
	(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	39.54
	(d) Interest accrued and remaining unpaid as at year end	39.54
	(e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	48.07
	*Based on the confirmation from Vendors.	
30	**Other Financial Liabilities**	
	Current maturities of long term debt	1,044.59
	Interest accrued and due on borrowings	26.67
	Unclaimed Dividends	106.75
	Security Deposits	29.19
	Expenses payable	326.17
	Payable to Employees	840.29
	Payable on account of Acquisition of Subsidiary	24.41
	Payable for Capital Goods	580.51
	Total	**2,978.59**
31	**Other Current liabilities**	
	Liability for statutory payments	1,046.01
	Advance from Customers	1,280.65
	Provision for Tax (Net)	-
	Total	**2,326.66**
32	**Provisions**	
	Provision for employee benefits (For details refer note no. 45)	
	Gratuity	139.00
	Leave Encashment	414.90
	Provision for Others	
	Warranties (Refer note no. 27 for details)	20.04
	Total	**573.93**

NOTES TO THE FINANCIAL STATEMENTS

(Amount ₹ in Lacs)

	Particulars	For the year ended March 31, 2019
33	**Revenue from Operations**	
	Sale of Products	
	Components of Automobile	1,13,851.38
	Composites and Product Moulds	1,180.21
	Rendering of services	5,521.93
	Other Operating Revenue	
	Sale of scrap	847.58
	Export Incentives	2.33
	Total	**1,21,403.43**
34	**Other Income**	
	Interest income on financial assets carried at amortised cost	
	Deposit with bank and others	20.25
	Cash Discount	27.38
	Net Profit on sale of Current Investments	83.50
	Net gain on investments carried at fair value through Profit or Loss	9.34
	Exchange fluctuation (net)	8.68
	Other non-operating income	
	Sundry balances written back (net)	42.76
	Miscellaneous Income	22.85
	Insurance Claim Received	21.84
	Government Subsidy	170.16
	Total	**406.75**
35	**Cost of materials consumed**	
	Cost of materials consumed	94,530.80
	Total	**94,530.80**
36	**Changes in inventories of finished goods, Stock-in -Trade and work-in-progress**	
	Opening stock	
	Finished goods	664.83
	Work-in-progress	1,110.31
	Finished Goods-Stock in Transit	99.11
	Total (A)	**1,874.25**
	Closing stock	
	Finished goods	4,301.90
	Work-in-progress	813.03
	Finished Goods-Stock in Transit	169.68
	Total (B)	**5,284.61**
	Total(A-B)	**(3,410.36)**

(Amount ₹ in Lacs)

	Particulars	For the year ended March 31, 2019
37	**Employee Benefits Expense**	
	Salaries and wages	7,487.54
	Contribution to provident and other funds	759.35
	Staff welfare expenses	317.67
	Total	**8,564.56**
38	**Finance Costs**	
	Interest on	
	Borrowings from Banks	257.47
	Others	145.18
	Other costs	17.10
	Unwinding of discount on provisions	8.23
	Total	**427.99**
39	**Depreciation and amortization expense**	
	Depreciation on property, plant and equipment	1,960.77
	Amortisation of intangible assets	65.81
	Total	**2,026.58**
40	**Other Expenses**	
	Consumption of Stores & Spares, Tools	3,581.00
	Power and fuel	2,699.56
	Freight Charges	997.95
	Repairs and Maintenance	
	Repairs to Buildings	36.21
	Repairs to Machinery	357.97
	Repairs and Maintenance - Others	189.16
	Research and Development Expenses	257.02
	Rent	795.19
	Wages to Contractors	2,365.26
	Professional Charges	212.48
	Insurance Premium	159.74
	Audit Fees	20.59
	Loss on property, plant and equipment sold/discarded (Net)	146.42
	Rates and Taxes excluding taxes on income	21.34
	Charity & Donation / CSR Expenses	97.40
	Warranty Expenses	45.36
	Trade receivables written off	105.46
	Miscellaneous Expenses	2,713.67
	Total	**14,801.78**
	(i) Payment to auditors has been classified below (Excluding Taxes)	
	As Auditors	18.50
	For Taxation Matters	4.75
	For Certification	12.00
	For Other Services	6.50
	For Out of pocket expenses	0.45
	Total	**42.20**

NOTES TO THE FINANCIAL STATEMENTS

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

(a) Gross amount required to be spent by the Holding Company during the year: **₹ 78.87 lacs**

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

(Amount ₹ in Lacs)

Particulars	**Total**
(i) Construction/acquisition of any asset	-
(ii) On purposes other than (i) above	**79.10**

(Amount ₹ in Lacs)

	Particulars	**For the year ended March 31, 2019**
	(iii) Research and development expenses :	
	Expenses charged to revenue account	
	Raw material consumption	38.88
	Employee benefits	211.77
	Travelling & Other Exp	6.36
	Total	**257.02**
	Capital Expenditure	
	Equipments	46.95
	Furniture & fixtures	0.07
	Total	**47.01**
41	**Tax Expense**	
	Current tax in relation to	
	Current years	1,129.58
	Earlier years	35.19
	Deferred Tax	
	In respect of current year	98.02
	Unused Tax Credits	(138.39)
	Total income tax expense recognised in the current year	**1,124.41**
	(i) The income tax expense for the year can be reconciled to the accounting profit as follows:	
	Profit before tax	4,881.30
	Income tax expense calculated at 34.944%	1,660.99
	Tax effects of amounts which are not deductible/(taxable) in calculating taxable income	
	Expenses not allowed in Income Tax	139.42
	Effect of income exempt/ taxed on lower rate	0.29
	Effect of deduction under section 80JJA of the Income tax Act, 1961	(18.23)
	Effect of deduction under section 80IC of the Income tax Act, 1961	(499.57)
	Additional deduction on research and product development cost	(53.12)
	Tax adjustment of earlier years	(121.04)
	Others	15.67
	Income tax expense recognised in Consolidated Statement of Profit and Loss	**1,124.41**

42 Contingent Liabilities and Commitments (to the extent not provided for)

(A) Contingent liabilities not provided for in respect of

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

(Amount ₹ in Lacs)

	March 31, 2019
Claims against the company not acknowledged as debt under the labour laws	53.93
Income Tax	66.59
Excise Duty	58.76
Sales Tax	50.79

(i) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above pending resolution of the arbitration/appellate proceedings.

(iii) Income Tax

The Holding Company is involved in tax disputes amounting to ₹ **21.81 lacs** relating to Income Tax. This mainly relate to the disallowance under section 14A of the Income Tax Act, 1961 and interest thereon which is pending at Appellate level.

In case of Subsidiary, it is involved in tax disputes amounting to ₹ **44.78 lacs** relating to Income Tax. This mainly relate to the TDS penalties & assessment which are pending at Appellate level.

(iv) Excise Duty

The Excise Authorities had denied a CENVAT credit amounting to ₹ **29.38 lacs** and imposed a penalty of ₹ **29.38 lacs** for a period between June, 2008 to March, 2009 in respect of CENVAT credit availed on supplementary invoices raised by the Customer on account of material supplied by them. The Holding Company is contesting the show cause notice.

(v) Sales Tax

The total sales tax demands (including interest and penalty), that are being contested by the Holding Company amount to ₹ **50.79 lacs**. The details of the demands are as follows:

In case of Holding Company, the Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to ₹ **31.89 lacs** (as at 31st March, 2018 ₹ 31.89 lacs). The reasons for disallowing credit was mainly due to not allowing set off of taxes on LPG Gas and other materials used in manufacturing and also not allowing full deduction of taxes paid. Further, there is levy of purchase tax on purchase of LPG Gas. The matter is contested in appeal.

In case of Holding Company, the Sales Tax authorities have demanded tax aggregating to ₹ **18.90 lacs** on account of tax being levied on inter-state stock transfers. The matter is contested in appeal.

(vi) Provident Fund

There are numerous interpretative issues relating to the SC Judgement on Provident Fund dated 28th February, 2019. The Holding Company has initiated the process of evaluating the impact of said judgement, if any, on its financials. Due to various complexities involved presently in ascertaining the impact, the Holding Company is not able to reliably estimate the quantum of provision, if any, required to be made as at March 31, 2019. The Holding Company will make necessary provision, if any, on receiving further clarity on the subject and on completion of its impact evaluation process on the matter.

(B) Commitments

(Amount ₹ in Lacs)

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) including investment property	5,319.35

NOTES TO THE FINANCIAL STATEMENTS

	Particulars	For the year ended March 31, 2019
43	**Earnings per share**	
	Profit after tax for the year attributable to equity shareholders (₹ in Lacs)	**3,730.11**
	Weighted average number of equity shares (in Nos.)	10,00,00,000
	Basic and Diluted earnings per equity share (in ₹)	**3.73**
	Face Value per equity share (in ₹)	2.00

44 Leases

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

Lease payments are recognised in the Consolidated Statement of Profit and Loss under "Rent" in Note 40.

45 Employee Benefits

(a) Defined Contribution Plans

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

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

(i) Provident fund and Pension

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

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

(ii) Superannuation fund

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

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

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

(Amount ₹ in Lacs)

Particulars	For the year ended March 31, 2019
Employer's contribution to Provident and other Funds	461.34
Employer's contribution to Superannuation Fund	106.43
Total	**567.77**

(b) Defined Benefit Plan

(i) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2019 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Group decides its contribution based on the results of its annual review.

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

(I) Investment Risk

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

(II) Interest Rate Risk

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

(III) Longevity Risk

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

(IV) Salary Risk

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

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

(Amount ₹ in Lacs)

Particulars	**For the year ended March 31, 2019**
Service Cost	
Current Service Cost	139.76
Net interest expense/ (income)	14.16
Components of defined benefit costs recognised in Employee Benefit Expenses	**153.92**
Re-measurement on the net defined benefit liability:	
Actuarial (gains)/losses arising from changes in demographic assumptions	-
Actuarial (gains)/losses arising from changes in financial assumptions	21.10
Actuarial (gains)/losses arising from experience adjustments	6.73
Return on Plan Assets excluding amount included in net interest cost	6.03
Components of Re-measurement	**33.86**
Total	**187.78**

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(Amount ₹ in Lacs) For the year ended March 31, 2019
The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:	
Present Value of funded defined benefit obligation	1,369.68
Fair value of plan assets	1,178.89
Net liability arising from defined benefit obligation	**190.79**
Movements in the present value of the defined benefit obligation are as follows:	
Opening defined obligation	1,225.04
Current service cost	139.76
Interest cost	87.03
Re-measurement (gains)/losses :	
Actuarial (gains)/ losses arising from changes in financial assumptions	21.10
Actuarial (gains)/ losses arising from experience adjustments	6.73
Benefits paid	(40.37)
Closing defined benefit obligation	**1,439.30**
Movements in the fair value of plan assets are as follows:	
Opening value of plan assets	980.66
Interest income	72.87
Return on plan assets excluding amounts included in interest income	(6.03)
Contributions by employer	171.77
Benefits paid	(40.37)
Closing value of plan assets	**1,178.89**

Classification of Non-Current and Current Liability:

Particulars	(Amount ₹ in Lacs) As at March 31, 2019
Non-Current liability	206.04
Current liability	54.36
Total	**260.40**

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

Particulars	As at March 31, 2019
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal Rates	10% p.a. at younger ages reducing to 1% p.a. at older ages
Discount Rate (%)	7.35%
Salary escalation rate (%)	7.50%
Rate of Return on Plan Assets (%)	7.35%

(Amount ₹ in Lacs)

Particulars	As at March 31, 2019
The fair value of the plan assets at the end of the reporting period for each category are as follows:	
100% managed by insurer (Life Insurance Corporation of India)	1,178.89

Fair value of Investment in Group of Insurance Company is taken as book value on reporting date.

The actual return on plan assets of gratuity during the year is **₹ 66.84 lacs.**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount ₹ in Lacs)

Significant actuarial assumptions	For the year ended March 31, 2019
Discount Rate	
- Impact due to increase of 50 basis points	1,328.18
- Impact due to decrease of 50 basis points	1,414.14
Salary increase	
- Impact due to increase of 50 basis points	1,410.93
- Impact due to decrease of 50 basis points	1,330.12
Withdrawal Rate	
- Impact due to increase of 10 percent	1,369.41
- Impact due to decrease of 10 percent	1,369.65
In case of Subsidiary Company,	
Discount Rate	
- Impact due to increase by 1 percent	63.10
- Impact due to decrease by 1 percent	77.36
Salary increase	
- Impact due to increase by 1 percent	77.34
- Impact due to decrease by 1 percent	63.00
Withdrawal Rate	
- Impact due to increase of 1 percent	69.83
- Impact due to decrease of 1 percent	69.39

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

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

(Amount ₹ in Lacs)

Particulars	As at March 31, 2019
Maturity Profile of Defined Benefit Obligations:	
Zero to Four years	59.43
Four to Ten years	490.51
Ten to Fifteen years	66.74
Fifteen and above	857.42
Total	**1,474.10**

NOTES TO THE FINANCIAL STATEMENTS

The Holding Company expects to make a contribution of ₹ **137.71 lacs** to the defined benefit plans during the next financial year. The Subsidiary Company has unfunded gratuity plan.

(c) Other long term employee benefit plans

Leave encashment

Amount of ₹ **151.34 lacs** is recognised as expenses and included in note no. 35 "Employee benefit expense".

46 Impairment of Assets

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Group has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at March 31, 2019.

47 Segment Reporting

(i) The Group has identified and reported segments taking into account the different risks and returns, the organization structure and the internal reporting systems. These have been oragnised into the following business segments:

(a) Auto Components and (b) Composite Products & Moulds

(ii) **Segment revenue, results, assets and liabilities**

The following is an analysis of the Group's revenue, results, assets and liabilities from continuing operations by reportable segment for the year ended March 31, 2019:

(₹ in Lacs)

Sr. No.	Particulars	Auto Components	Composite Products & Moulds	Unallocable	Total
I	**Segment Revenue**	**1,14,698.07**	**6,705.36**	**-**	**1,21,403.43**
	Less: Inter Segment Revenue	-	-	-	-
	Revenue from Operations	**1,14,698.07**	**6,705.36**	**-**	**1,21,403.43**
II	**Segment Results Profits (+)/Losses (-)**				
	before tax and interest from each segment	**4,640.72**	**646.59**	**-**	**5,287.31**
	Total	**4,640.72**	**646.59**	**-**	**5,287.31**
	Finance Cost	380.92	47.07	-	427.99
	Interest Income	9.51	-	-	9.51
	Profit before tax	**4,269.31**	**599.52**	**-**	**4,868.84**
	Income Taxes	958.00	180.72	-	1,138.72
	Profit for the year	**3,311.32**	**418.80**	**-**	**3,730.11**
III	**Segment Assets**	**51,977.70**	**4,441.19**		**56,418.89**
	Total	**51,977.70**	**4,441.19**	**-**	**56,418.89**
IV	**Segment Liabilities**	**51,977.70**	**4,441.19**	**-**	**56,418.89**
	Total	**51,977.70**	**4,441.19**	**-**	**56,418.89**
V	**Other Information**				
	Depreciation	1,874.95	151.62	-	2,026.58
	Other Non-Cash Expense	12.09	105.46	-	117.55

48 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

NOTES TO THE FINANCIAL STATEMENTS

49 Financial Instrument Disclosure:

(a) Capital Management

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

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

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

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

(Amount ₹ in Lacs)

Particulars	**As at March 31, 2019**
Equity share capital	2,000.00
Other Equity	27,711.01
Total Equity (A)	**29,711.01**
Non-current borrowings	2,654.82
Short term borrowings	1,017.59
Current maturities of long term borrowings	1,044.59
Gross Debt (B)	**4,717.00**
Gross Debt as above	4,729.43
Less: Current investments	746.88
Less: Cash and cash equivalents	2,060.80
Less: Other balances with bank (including earmarked balances)	263.34
Net Debt (C)	1,658.41
Net debt to equity	**0.06**

(b) Disclosures

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note No. 5(xvii), (xviii) and (ix).

NOTES TO THE FINANCIAL STATEMENTS

(i) Financial assets and liabilities

The following tables presents each category of financial assets and liabilities as at 31st March, 2019.

(Amount ₹ in Lacs)

	Particulars	As at March 31, 2019
I.	**Financial Assets**	
	Measured at fair value through profit or loss (FVTPL)	
	(a) Investments in mutual funds	746.88
	Measured at amortised cost	
	Trade and other receivables	16,193.07
	Cash and cash equivalents	2,060.80
	Other bank balances	263.34
	Loans	628.87
	Other financial assets	22.85
	Total	**19,915.81**
II.	**Financial Liabilities**	
	Measured at amortised cost	
	Long term borrowings	2,654.82
	Short term borrowings	1,017.59
	Trade payables	15,102.82
	Other financial liabilities	2,800.25
	Total	**21,575.48**

(ii) Fair value measurement

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

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

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

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

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

(Amount ₹ in Lacs)

Financial assets	Fair value as at March 31, 2019	Fair value hierarchy
Investment in mutual funds	746.88	Level 1

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

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

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

There have been no transfers between Level 1 and Level 2 for the years ended 31st March, 2019.

(iii) Financial risk management objectives

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

(a) Market risk

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

(I) Foreign Currency Risk

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

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

(Amount ₹ in Lacs)

Foreign Currency Exposure	**As At March 31, 2019**
Assets	21.19
Liabilities	6.09

The Group has not entered in to any forward contracts to hedge its foreign exposures and therefore there are no outstanding forward contract at the year end.

Foreign Currency Sensitivity:

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

(Amount ₹ in Lacs)

USD sensitivity at year end	**For the year ended 31st March 2019**
Assets	
Weakening of INR by 5%	1.06
Strengthening of INR by 5%	(1.06)
Liabilites	
Weakening of INR by 5%	(0.30)
Strengthening of INR by 5%	0.30
EURO sensitivity at year end	
Assets	
Weakening of INR by 5%	0.00
Strengthening of INR by 5%	(0.00)
Liabilites	
Weakening of INR by 5%	-
Strengthening of INR by 5%	-

NOTES TO THE FINANCIAL STATEMENTS

(II) Interest rate risk

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

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

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

(III) Price risk

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

NAV price sensitivity analysis

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

In case of Holding Company, Profit for the year ended 31st March, 2019 would increase/decrease by ₹ **7.46 lacs.**

(b) Credit risk

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

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

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

(Amount ₹ in Lacs)

Particulars	**As At March 31, 2019**
Within the credit period	15,960.52
Upto 6 months past due	-
More than 6 months past due	235.98
Total	**16,196.50**

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

(c) Liquidity risk

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

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

(Amount ₹ in Lacs)

Particulars	1 month -1 year	1 year – 3 years	More than 3 years
As at March 31, 2019			
Long term borrowings	1,026.11	1,632.77	1,034.48
Short term borrowings	1,017.59	-	-
Trade payables	15,102.82	-	-
Other financial liabilities	1,002.16	-	-
Total	**18,148.68**	**1,632.77**	**1,034.48**

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

Particulars	1 month -1 year	1 year – 3 years	More than 3 years
As at March 31, 2019			
Trade and other receivables	16,193.07	-	-
Investments in Mutual funds	746.88	-	-
Loans	112.05	313.30	203.52
Other financial assets	22.85	-	-
Total	**17,074.85**	**313.30**	**203.52**

The Group have access to committed credit facilities as described below, of which ₹ 10,192.65 lacs were unused at the end of the reporting year. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(Amount ₹ in Lacs)

credit facilities	As at March 31, 2019
Amount used	3,380.35
Amount unused	10,192.65

50 Disclosure as required by Indian Accounting Standard -115 are given below:-

(i) The Holding Company derives revenues from sale of goods, scrap and services from its contracts with customers. The revenues have been disclosed in Note No. 33 "Revenue from Operations".

(ii) The Company does not have any contract asset. The opening and closing balances of trade receivables and Contract liability are as under:

(₹ in Lacs)

Particulars	As at 31st March, 2019
Trade Receivables	16,193
Contract Liability	
Advances from customers	1,281

(iii) There is no any transaction price which is yet to be recognize on account of remaining outstanding performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

51 Related Party Disclosures:

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

(A) Holding Company:

Thakurdevi Investments Private Limited

(B) Key Managerial Personnel:

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

(C) Enterprise in which directors and their relatives are partner/member/trustee

Sara Investments

Inder Mohini Bhasin Charitable Foundation

Sudhir Kumar & Sons HUF

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

(Amount ₹ in Lacs)

Nature of Transaction	Holding Company	Enterprise in which directors and their relatives are directors	Key Managerial personnel	Total
Remuneration paid	**-**	**-**	**827.77**	**827.77**
Mr. Sudhir Kumar Munjal	-	-	272.17	272.17
Mrs. Anju Munjal	-	-	238.15	238.15
Mr. Anuj Munjal	-	-	238.15	238.15
Mr. S. K. Sharma	-	-	57.58	57.58
Mr. Rakesh Johari	-	-	21.72	21.72
Sitting Fees paid	**-**	**-**	**16.00**	**16.00**
Mr. Vikram Shah	-	-	4.40	4.40
Mr. Naresh Kumar Chawla	-	-	2.80	2.80
Mr. Mahendra Sanghvi	-	-	3.00	3.00
Mr. Ramkisan Devidayal	-	-	3.40	3.40
Mr. Sudesh Kumar Duggal	-	-	0.60	0.60
Mr. Jal Ratanshaw Patel	-	-	1.80	1.80
Payments made by the Company on behalf of	**113.26**	**119.22**	**35.00**	**267.48**
Thakurdevi Investments Private Limited	113.26	-	-	113.26
Sara Investments	-	105.87	-	105.87
Sudhir Kumar & Sons HUF	-	13.25	-	13.25
Mr. Sudhir Kumar Munjal	-	-	35.00	35.00
Inder Mohini Bhasin Charitable Foundation	-	0.10	-	0.10

Dividend Paid	**897.68**	**-**	**-**	**897.68**
Thakurdevi Investments Private Limited	897.68	-	-	897.68
Rent Paid	**-**	**175.54**	**-**	**175.54**
Sara Investments	-	175.54	-	175.54
Deposit Paid	**-**	**27.05**	**-**	**27.05**
Sara Investments	-	27.05	-	27.05
Loan Taken	**-**	**-**	**300.00**	**300.00**
Mr.Sudhir Kumar Munjal	-	-	300.00	300.00
Loan Repaid	**-**	**-**	**300.00**	**300.00**
Mr. Sudhir Kumar Munjal	-	-	300.00	300.00

Balance as at March 31, 2019:	**(Amount ₹ in Lacs)**
Remuneration payable	**32.79**
Mr. Sudhir Kumar Munjal	12.39
Mrs. Anju Munjal	6.43
Mr. Anuj Munjal	10.12
Mr. S. K. Sharma	2.84
Mr. Rakesh Johari	1.01

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

Particulars	**(Amount ₹ in Lacs) For the year ended March 31, 2019**
Short-term employee benefits	730.96
Post-employment benefits (excluding Leave encashment)	96.81

52 Additional information to the Consolidated Financial Statements as per the General Instructions of Schedule III to the Companies Act, 2013 is as under:

Name of the entity	**Net Assets (Total Assets-Total Liabilities)**		**Share in Profit or Loss**	
	As % of Consolidated net assets	**₹ in lacs**	**As % of Consolidated Profit or Loss**	**₹ in lacs**
Parent Company				
Munjal Auto Industries Limited	97.43%	30,116.48	89.05%	3,298.19
Subsidiaries				
Indian				
Indutch Composites Technology Private Limited	12.02%	3,716.32	11.29%	418.05
Eliminations	-9.45%	(2,921.58)	-0.34%	(12.66)
Total	**100.00%**	**30,911.22**	**100.00%**	**3,703.57**

53 The Consolidated Financial Statements of the Group are approved by the Board of Directors on 22nd May, 2019.

As per our report of even date attached
For K. C. Mehta & Co.,
Chartered Accountants
Firm Registration No. 106237W
Vishal P. Doshi
Partner
Membership No. 101533
Place : Vadodara
Date : May 22, 2019

S. K. Sharma
Chief Financial Officer

Rakesh Johari
Company Secretary

For and on behalf of the Board of Directors
Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Waghodia, Vadodara
Date : May 22, 2019

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing Salient Features of the Financial Statement of subsidiaries/associate companies/joint ventures

Part-"A": Subsidiary

Sl. No.	Particulars	Name of Subsidiary
1	Name of Subsidiary	**Indutch Composites Technology Private Limited**
2	Date since when Subsidiary was acquired	22-May-18
3	Reporting period for the subsidiary concerned	2018-19
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	INR (₹) in lacs
5	Share Capital	421.55
6	Reserves and Surplus	3,294.77
7	Total Assets	7,362.80
8	Total Liabilities	3,646.48
9	Investments	1.10
10	Turnover	7,459.39
11	Profit Before Taxation	639.58
12	Provision for Taxation	193.21
13	Profit After Taxation	446.36
14	Proposed Dividend	-
15	Extent of Shareholding (in %)	68%

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
Not Applicable

For and on behalf of the Board of Directors

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

S. K. Sharma
Chief Financial Officer

Anju Munjal
Whole Time Director
DIN - 00007867

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Rakesh Johari
Company Secretary

Place : Waghodia, Vadodara
Date : May 22, 2019

CORPORATE GOVERNANCE

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

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

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

1. Board of Directors

The composition of the Board of Directors of your Company is in conformity with Regulation 17(1) of LODR. The Executive Chairman of the Company is a Promoter and the number of Non-Executive Independent Directors is more than one-half of the total number of Directors. The Board reviews and approves strategy; oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' value and other stakeholder's interest are met.

The Chairman cum Managing Director and two Whole Time Directors are the Executive Directors looking after the day-to-day management of your Company belonging to the Company's promoter group. The remaining Non-Executive Directors comprising of six Independent Directors possess requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled to under the Companies Act, 2013 ('the Act') as Non-Executive Directors, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiary which in their judgment would affect their independence. None of the Directors, other than those belonging to the promoter group of the Company, are inter-se related to each other.

The Senior Management of the Company have made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

a. Composition of the Board

The Board comprises of 9 Directors as on 31st March 2019. The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies are given below. None of the Executive Directors is an Independent Director in more than 3 listed companies and none of Non-Executive Directors is an Independent Director in more than 7 listed companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees [as specified in Regulation 26(1) of LODR], across all the listed entities.

b. Board Procedure

A detailed Agenda folder containing items of business to be transacted is sent to each Director in advance of the Board Meeting and to the Director concerned in advance of the committee meetings. To enable the Board to discharge its responsibilities effectively, the Chairman and Managing Director apprises the Board at every meeting of the overall performance of the Company, followed by itemized presentations as necessary. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance status of all laws applicable to the Company as well as steps taken by your Company to rectify instances of non-compliances if any, review of major legal issues, significant labour issues, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and major write backs/impairment etc. and approves quarterly/half yearly/ annual results. Minutes of meetings of the Audit and other Committees of the Board contain information on recruitment and leaving of officers just below the Board level including the Company Secretary and Compliance officer.

c. Number of Board Meetings, Attendance of Directors at Meetings of the Board and at the Annual General Meeting

Four Board meetings were held in FY 2018-19 on May 28, 2018, August 04, 2018, November 05, 2018 & February 09, 2019 in due compliance with the stipulated provisions. The attendance record of members of the Board is given below:

Name of Director	Number of Board Meeting held during the year 2018-19		Attendance at last AGM held on August 25, 2018	No. of Directorship Held in Listed Companies	No. of Committee Membership held*	Number of Committee Chairmanship held*
	Held	Attended		(excluding Private Companies, Foreign Companies and Section 8 Companies)		
Promoter Executive Directors						
Mr. Sudhir Kumar Munjal	4	4	Yes	1	1	None
Mrs. Anju Munjal	4	4	Yes	1	None	None
Mr. Anuj Munjal	4	4	Yes	1	1	None
Non Executive and Independent Directors						
Mr. Vikram Shah	4	4	Yes	1	1	1
Mr. Naresh Kumar Chawla	4	3	Yes	1	1	1
Mr. Mahendra Sanghvi	4	3	No	3	3	1
Mr. Ramkisan Devidayal	4	4	Yes	3	4	2
Mr. Sudesh Kumar Duggal	4	1	Yes	1	None	None
Mr. Jal Ratanshaw Patel	4	4	No	4	2	4

* As required by Regulation 26(1)(a) of LODR, this disclosure Includes memberships/chairmanships of Audit Committee and Stakeholders' Relationship Committee.

d. List of core skills/expertise/competencies as identified by the Board of Directors of the Company as required in the context of Company's business and sector for it to function effectively and those actually available with the Board

Sills/Expertise/Competence	Whether available with the Board or not?
INDUSTRY KNOWLEDGE/EXPERIENCE (AUTOMOBILE INDUSTRY)	
Experience	YES
Industry knowledge	YES
Understanding of relevant laws, rules, regulation and policy	YES
International Experience	YES
Risk Management	YES
TECHNICAL SKILLS/EXPERIENCE	
Accounting and Finance	YES
Business Development	YES
Information Technology	YES
Talent Management	YES
Leadership	YES
Compliance and risk	YES
Business Strategy	YES
Legal	YES
BEHAVIORAL COMPETENCIES	
Integrity and ethical standards	YES
Mentoring abilities	YES
Interpersonal relations	YES

d. Board Evaluation

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

a) The size and composition (Executive, Non-executive, Independent Directors and their background in terms of knowledge, skill & experience) of the Board is appropriate.

b) The Board conducts itself in such a manner so as to protect and take care of interests of all shareholders.

c) The Board is active in addressing matters of strategic concerns in its review.

d) The Board makes well-informed high-quality decisions on the basis of full information and insights.

e) The Board is effective in establishing a corporate environment that would enable proficient and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable law and regulations.

f) The Board meeting time is appropriately allocated between management presentation and Board discussion.

g) The Board has a good understanding of the Company's key drivers of performance and associated risks, threats and opportunities.

h) The Board devotes considerable amount of time in developing the business strategy and annual business plan.

i) The Board clearly defines the mandates of its various committees.

j) The Board is effective in formulating and monitoring various financial and non-financial policies and plans.

k) The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.

l) The Board pays considerable attention to the quality of financial statement, reporting controls and allied matters.

m) The Board gives effective advice for achieving the Company's mission/vision.

f. Director seeking re-appointment

In accordance with the Section 152 of Companies Act, 2013, one-third of the Executive Directors retires by rotation and, if eligible, offers themselves for re-election at the Annual General Meeting of shareholders. Accordingly, Mrs. Anju Munjal retires at in 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.

g. Code of Conduct

The Company has formulated Code of Conduct for Board Members and Senior Management employees of the Company. Board members and Senior Management Personnel have confirmed their compliance with Code of Conduct for the year ended March 31, 2019.

h. CEO/CFO Certification

In terms of Regulation 17(8) and Part-B of Schedule II of LODR, Managing Director and CFO of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2019.

2. Remuneration to Directors

a. Remuneration Policy

While deciding the remuneration of Executive Directors, Nomination and Remuneration Committee considers the performance of your Company, the current trends in the industry, the qualification of the appointees(s), their experience, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. Staying abreast with such information enables review of remuneration policies.

b. Remuneration paid/payable to Executive Directors and Non-Executive Directors for the year ended March 31, 2019

Following is the remuneration paid/payable to the Executive Directors and Non-Executive Directors of the Company during the year ended March 31, 2019.

(Amount in ₹)

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

3. Risk Management

Your Company has a well-defined risk management framework in place. Further, your Company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks.

4. Committees of the Board

a. Audit Committee

The Audit Committee of the Company is constituted in line with Regulation 18 of LODR read with Section 177 of the Act & Rules mentioned thereunder.

The Company's Audit Committee functions under the Chairmanship of Mr. Vikram Shah. Four Audit Committee meetings were held dated May 28, 2018, August 04, 2018, November 05, 2018 & February 09, 2019 during F.Y. 2018-19 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given below:-

Name of Committee Members	Position held	No. of Meetings during FY 2018-19	
		Held	Attended
Mr. Vikram Shah	Chairman	4	4
Mr. Naresh Kumar Chawla	Member	4	3
Mr. Mahendra Sanghvi	Member	4	3
Mr. Ramkisan Devidayal	Member	4	4
Mr. Sudhir Kumar Munjal	Member	4	4

Mr. Vikram Shah, the Chairman of the Committee is a Chartered Accountant. The role and terms of reference of the committee covers the matters specified under Regulation 18 and Part C of Schedule II of the LODR read with Section 177 of the Act. Besides having access to all the required information from the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters.

b. Nomination & Remuneration Committee

The role of the Nomination and Remuneration Committee is to review market practices and to decide on remuneration packages applicable to the Managing Director and Whole Time Directors of the Company.

Two Nomination & Remuneration Committee meetings were held on May 28, 2018 and February 09, 2019 during F.Y. 2018-19. The attendance record of the Nomination & Remuneration Committee is given below:-

Name of Director Member	Position held	No. of Meetings during the FY 2018-19 Held	Attended
Mr. Mahendra Sanghvi	Chairman	2	2
Mr. Naresh Kumar Chawla	Member	2	1
Mr. Vikram Shah	Member	2	2
Mr. Sudhir Kumar Munjal	Member	2	2

Nomination & Remuneration Committee assists in discharging the Board's responsibilities relating to compensation of the Company's Executive Directors. The Committee has overall responsibility for approving and evaluating the Executive Director's compensation plans.

Nomination & Remuneration Committee reviews the compensation structure for the Executive Directors and recommends to the Board for revision, if any, in remuneration of Executive Directors from time to time based on certain performance parameters, growth in business as well as profitability and in line with the practices prevailing in the industry.

The annual compensation of the Executive Directors is approved by the Nomination & Remuneration Committee, within the parameters approved by the Board of the Company and confirmed by the shareholders of the Company. The compensation payable to Executive Directors and the method of calculation are disclosed separately in the financial statements.

The remuneration of the Executive Directors comprises of salary, commission, perquisites and allowances, contribution to provident fund & superannuation fund and gratuity. The Executive Directors are also entitled to leave and leave encashment as per the rules of the Company. The Non-Executive Directors are paid sitting fee for Board /Committee meetings and reimbursement of travelling and out of pocket expenses for attending such meetings.

The Company does not have any stock option scheme. None of the Directors hold any shares in the Company except Mr. Naresh Kumar Chawla who holds 500 shares & Mrs. Anju Munjal holds 622 shares respectively as on March 31, 2019.

c. Stakeholder's Relationship Committee

The Stakeholder's Relationship Committee functions under the Chairmanship of Mr. Naresh Kumar Chawla. Four Stakeholders Relationship Committee meetings were held dated May 28, 2018, August 04, 2018, November 05, 2018 & February 09, 2019 during F.Y. 2018-19. The attendance record of members of the Stakeholder's Relationship Committee is given below:-

Name of Director Member	Position held	No. of Meetings during FY 2018-19 Held	Attended
Mr. Naresh Kumar Chawla	Chairman	4	3
Mr. Vikram Shah	Member	4	4
Mr. Mahendra Sanghvi	Member	4	3
Mr. Ramkisan Devidayal	Member	4	4
Mr. Anuj Munjal	Member	4	4

The committee meets as and when required, to inter alia deal with matters relating to transfer of shares and monitor redressal of complaints from Shareholders relating to transfers, non-receipt of Balance Sheet, non-receipt of dividends declared, etc. With a view to expediting the process of share transfers, necessary authority has been delegated to approve the transfers of shares.

The Company confirms that there were no share transfers lying pending as on date which were received up to 31.03.2019 and all requests for dematerialization and re-materialization of shares as on that date were confirmed into the NSDL / CDSL system.

d. Share Transfer Committee

In accordance with LODR, the Board had delegated the powers of share transfer to the Share Transfer Committee.

The 'Share Transfer Committee' oversees the functioning of the secretarial department to render effective and satisfactory services to the investors. The meetings of Share Transfer Committee are held every fortnight, if required. During the year, the Committee met 12 times to consider and approve the requests pertaining to the share transfers, transmission, dematerialization, rematerialisation & issue of duplicate share certificates etc. Details of the Share Transfer Committee members are given below:

Name of Director	Position held in the Committee
Mr. Vikram Shah	Chairman
Mr. Sudhir Kumar Munjal	Member

The Committee expresses satisfaction with the Company's performance in dealing with Investor's grievances and its share transfer system.

Name & designation of Compliance Officer

Mr. Rakesh Johari, Company Secretary

e. Corporate Social Responsibility ('CSR') Committee

The Committee formulates and recommends to the Board, a Corporate Social Responsibility Policy and monitors as well as reviews the same and determines its implementation process / execution of CSR policy.

Disclosures of contents of Corporate Social Responsibility as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as a separate annexure to the Board's report.

During the year, one meeting was held on May 28, 2018. The attendance record of members of the CSR Committee is given below:-

Name of Committee Members	Position held	No. of Meetings during FY 2018-19	
		Held	Attended
Mr. Vikram Shah	Chairman	1	1
Mr. Naresh Kumar Chawla	Member	1	1
Mr. Sudhir Kumar Munjal	Member	1	1
Mrs. Anju Munjal	Member	1	1
Mr. Anuj Munjal	Member	1	1

f. Independent Directors Meeting

During the year under review, the Independent Directors met on March 09, 2019 *inter alia*, to discuss:

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

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

Name of Committee Member	Position held	No. of Meetings during FY 2018-19 Held	Attended
Mr. Naresh Kumar Chawla	Member	1	1
Mr. Vikram Shah	Member	1	1
Mr. Mahendra Sanghvi	Member	1	1
Mr. Ramkisan Devidayal	Member	1	1
Mr. Jal Ratanshaw Patel	Member	1	1
Mr. Sudesh Kumar Duggal	Member	1	1

5. **Disclosure**

a. **Disclosure of transactions with Related Parties**

The Company follows the following policy in regard to disclosure of the related party transactions to the Audit Committee:

(i) A statement in the summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.

(ii) There are no material individual transactions with related parties, which are not in the normal course of business and material individual transactions with related parties or others which are not on arm's length basis.

(iii) During the financial year 2018-19, there were no materially significant transactions entered into between the Company and its Promoter, Directors or the Management, Subsidiary or relatives etc. that may have potential conflict with the interests of the Company at large.

b. **Disclosure of Accounting Treatment in preparation of Financial Statements.**

Your Company follows the guidelines of Indian Accounting Standards referred in Section 133 of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

c. **Code for Prevention of Insider Trading Practices**

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and cautioning them of the consequences of violations.

d. **Share holder Information**

1. **Annual General Meeting**

Date	August 31, 2019
Day	Saturday
Time	3.00 PM
Venue	Registered Office of the Company: 187, GIDC Industrial Estate, Waghodia - 391760, Dist. Vadodara

2. **Dates of Book Closure**

The dates of book closure shall be from Monday, August 26, 2019 to Saturday, August 31, 2019 (both days inclusive).

3. **Date of Dividend Payment**

The Board has recommended a final dividend @ 50% i.e. ₹ 1.00/- per equity share for FY 2018-19.

The dividend recommended by the Directors for the year ended March 31, 2019, if declared at the ensuing AGM, will be paid by September 30, 2019 to those members, whose names appear in the register of members/depository records as at the close of business hours on August 24, 2019.

4. **Financial Year of the Company**

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

Tentative Financial reporting for the quarter ending	
Jun 30, 2019	On or before Aug 14, 2019
Sep 30, 2019	On or before Nov 14, 2019
Dec 31, 2019	On or before Feb 14, 2020
Mar 31, 2020	On or before May 30, 2020

5. **Registered Office**

187, GIDC Industrial Estate,
Waghodia 391 760, Dist: Vadodara,
Gujarat, India
Tel: +91 2668 262421-22, Fax: +91 2668 262427
Email: cs@munjalauto.com Website: www.munjalauto.com

6. **Corporate Office**

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

7. **Listing of Equity Shares on Stock Exchange**

Listing Fees

Listing fees for the year 2019-20 has been paid to the Stock Exchanges, wherein the equity shares of the Company are listed (i.e. BSE & NSE) within stipulated time.

Listing on Stock Exchanges

Equity shares of the Company are presently listed on following stock exchanges:

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

8. **Stock Code**

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

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

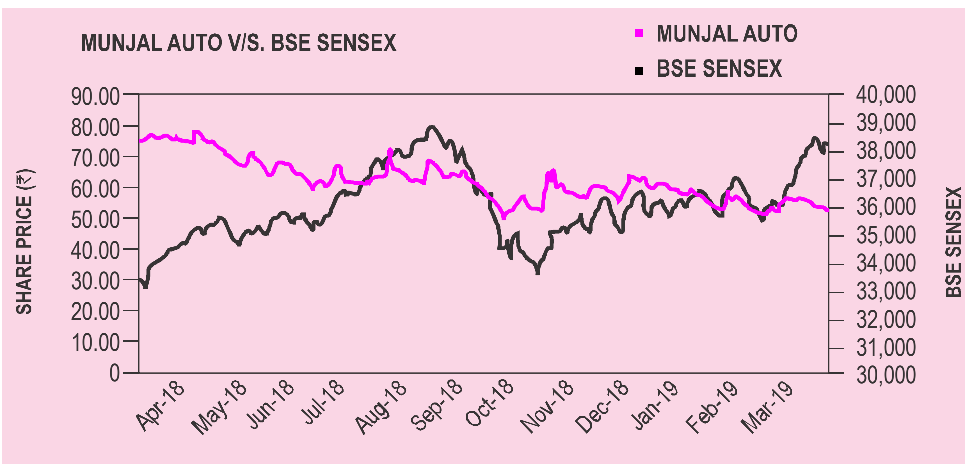
9. Stock Performance

Monthly high and low stock quotations and volumes during the financial year 2018-19 on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

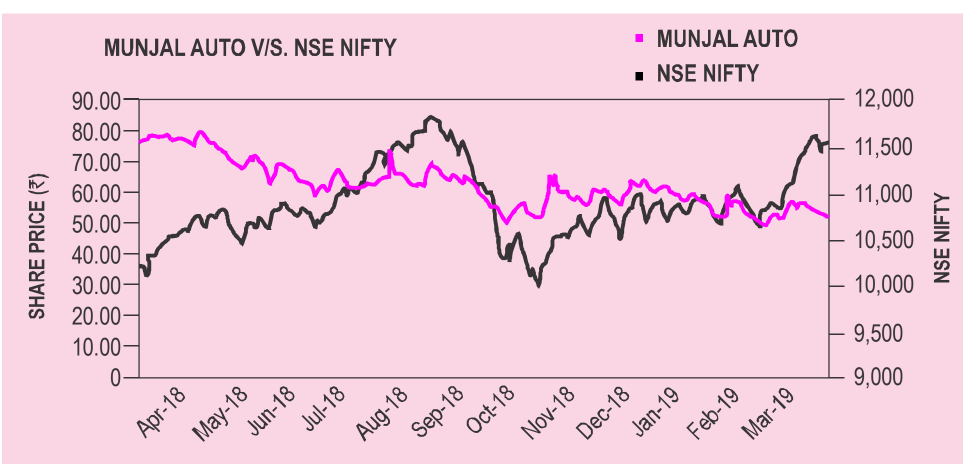
SHARE PRICE DATA (NSE & BSE)

	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
Month	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
April, 2018	79.00	72.55	2,44,363	79.00	72.60	12,56,450
May, 2018	82.00	66.25	1,96,220	81.95	66.50	13,83,660
June, 2018	71.50	58.00	1,27,832	70.55	57.50	9,41,024
July, 2018	67.40	57.00	1,63,098	67.55	59.40	8,72,231
August, 2018	76.25	60.50	6,35,823	76.45	60.80	44,25,882
September, 2018	68.50	56.05	1,65,842	68.40	55.55	10,74,286
October, 2018	64.90	49.30	3,84,435	64.95	49.15	21,66,312
November, 2018	69.80	55.80	5,02,267	69.85	55.75	32,32,793
December, 2018	69.80	53.95	3,32,315	70.00	54.50	25,37,428
January, 2019	62.00	50.65	2,33,821	62.30	50.80	11,62,459
February, 2019	62.30	49.85	3,56,390	62.80	50.05	26,92,599
March, 2019	58.65	52.00	1,99,649	58.45	52.00	14,16,447

COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX



COMPANY'S SHARE PRICE MOVEMENT VIS A VIS NSE NIFTY



10. Registrar and Transfer Agent ('RTA')

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

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

11. Share Transfer System

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

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

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in the dematerialised form with the depositories. In view of the same, members are advised to dematerialize shares held by them in physical form.

The total number of shares transferred/transmitted in physical form during the year 2018-19 was 1,88,500 shares.

12. Distribution of Shareholding as on 31st March, 2019

Distribution of Shareholding by number of shares held & Shareholding Pattern in percentage pursuant to Regulation 31(1)(b) of LODR as on March 31, 2019 are given below:

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	22,558	76.69	40,19,392	4.02
501 – 1000	3,334	11.33	28,62,970	2.86
1001 – 2000	1,608	5.47	25,93,915	2.59
2001 – 3000	722	2.45	18,68,836	1.87
3001 – 4000	261	0.89	9,59,553	0.96
4001 – 5000	341	1.16	16,45,328	1.65
5001 – 10000	334	1.14	25,23,338	2.52
10001 – 50000	228	0.78	45,01,568	4.50
50001 – 100000	13	0.04	9,73,014	0.97
100001 & above	16	0.05	7,80,52,086	78.05
Total	**29,415**	**100.00**	**10,00,00,000**	**100.00**

13. **Shareholding Pattern as on 31st March, 2019**

Category	Holders (No.)	No. of Equity Shares held	Percentage of holding
PROMOTER HOLDING			
Indian promoters	1	7,48,06,450	74.81
Total of promoter holding	**1**	**7,48,06,450**	**74.81**
NON-PROMOTER HOLDING			
Institutional investors			
- Mutual funds	5	45,947	0.04
- Banks / Financial Institutions	7	99,124	0.10
OTHERS			
- Private Corporate bodies	447	21,17,468	2.12
- Indian public	27,760	2,04,85,749	20.48
- NRIs / OCBs	408	6,17,626	0.62
- Co-op Banks, Co-op. Societies, Trust	3	6,400	0.01
- HUF	783	10,63,666	1.06
- IEPF	1	7,57,570	0.76
Total of non promoter holding	**29,414**	**2,51,93,550**	**25.19**
Grand total	**29,415**	**10,00,00,000**	**100.00**

14. **Dematerialization of Shares**

Equity shares of the Company, which are under compulsory dematerialization list, are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2019, a total of 9,83,93,680 equity shares of the Company, forming 98.39% of the total paid up equity share capital, stands dematerialized. All requests for dematerialization of shares are processed within the stipulated time.

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

Not applicable

16. **Plant Locations**

Regd. Office & Unit I	Unit II	Unit III	Unit IV
187, GIDC Industrial Estate, Waghodia – 391 760 Dist. Vadodara, Gujarat. India Tel: +91 2668 262421/22 Fax: +91 2668 262427	Plot No.37,Sector 5 Phase II, Growth Centre Bawal – 123 501 Dist. Rewari, State : Haryana Tel: (01284) 264435/36 Fax: (01284) 264434	Plot No.11, Industrial Park -2 Village :Salempur, Mehdood Haridwar – 249 402 Dist. Haridwar, Uttarakhand Tel:(01334)235530/32	Plot No.32A, Industrial Area, Phase II, Dharuhera--122106 Dist. Haryana, State : Haryana Tel:(01274)243010/11/12/13/14

17. **Address for Correspondence**

For queries relating to

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

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

6. **Other Disclosures**

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

Financial year (ended)	Date	Time	Venue	Summary of Special Resolution(s) passed for
Mar 31, 2018	August 25, 2018	3.00 p.m	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat. India	Special resolutions were passed for: Approval of reappointment of Mr. Sudhir Kumar Munjal as Chairman & Managing Director, for further tenure of 5 years w.e.f. 29.10.2018. Approval for granting loans and providing guarantee/security in connection with loan taken or to be taken by Indutch Composites Technology Private Limited, a Subsidiary Company.
Mar 31, 2017	June 30, 2017	3.00 p.m	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat. India	Adoption of new set of Articles of Association of the Company in line with the Companies Act, 2013.
Mar 31, 2016	August 27,2016	3.00 p.m.	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat. India	(1) Alteration of Articles of Association of the Company. (2) Approval of continuation of employment of Mr. Sudhir Kumar Munjal as Managing Director, who attain age of 70 years.

b. **Postal Ballot**

Shareholders of the Company approved continuation of Directorship of Independent Directors who has attained the age of 75 years during their current tenure by Special Resolution through Postal Ballot on March 30, 2019 with assent of 99.97%.

c. **Details of non compliance etc.**

There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, structure imposed by the stock exchanges or SEBI or any other authorities, on any matter related to capital market during the last three years.

d. **Means of Communication**

The Company has been regularly uploading on online platform of Stock Exchanges within 30 minutes of closure of the Board Meeting Annual Audited as well as quarterly un-audited results to both the Stock Exchanges, BSE & NSE, after they are approved by the Board of Directors.

Quarterly, half-yearly and annual results are published in prominent daily newspapers such as the Economic Times & Business Standard. The Company also informs Stock Exchanges in a prompt manner, all price sensitive information or such other matters, which in its opinion are material & relevant for the shareholders and subsequently issues a press release on the said matters.

The Company's website **www.munjalauto.com** contains information on the Company and its performance. Presentations to analysts, as and when made, are immediately put on the website for the benefit of the shareholders and the public at large.

e. **Compliance with Mandatory requirements**

The Company is fully compliant with the applicable mandatory regulations of LODR.

f. **Whistle Blower Policy**

The Company has implemented a Vigil Mechanism (Whistle Blower policy) and is posted on the Company's website i.e. **www.munjalauto.com.**

SECRETARIAL AUDIT REPORT

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

Ref: Secretarial Audit Report dated 18th May, 2019 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

For Devesh Pathak & Associates
Sd/-
Devesh A. Pathak
FCS 4559
CP No. 2306

Place : Vadodara
Date : 18th May, 2019

CEO / CFO CERTIFICATE

We hereby certify to the Board that:

(a) We have reviewed the financial statements including the cash flow statement for the year ended 31st March, 2019 and to the best of our knowledge and belief :
    (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2019 are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that :-
    (i) There has not been any significant change in internal control over financial reporting during the year under reference;
    (ii) Changes in accounting policies consequent to the implementation of new Indian Accounting Standards (Ind AS) have been appropriately disclosed in the financial Statements :and
    (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Munjal Auto Industries Limited

Date : May 22, 2019
Place : Waghodia, Vadodara

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

S K Sharma
Chief Financial Officer

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
MUNJAL AUTO INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Munjal Auto Industries Limited ("the Company") for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations ").

Management Responsibility

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

Auditors Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable during the year ended 31st March, 2019.

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

Restrictions on use

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

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

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : 22nd May, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Munjal Auto Industries Limited
187, GIDC Estate,
Waghodia Dist.
Vadodara - 391760

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Munjal Auto Industries Limited having CIN:L34100GJ1985PLC007958 and having registered office at 187, GIDC Estate, Waghodia Dist.Vadodara – 391760 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sudhir Kumar Munjal	00084080	29/10/2013
2.	Anuj Munjal	02714266	01/06/2010
3.	Anju Sudhir Munjal	00007867	30/09/1999
4.	Jal Patel	00065021	30/03/2009
5.	Naresh Kumar Chawla	00007842	30/08/2001
6.	Vikram Chinubhai Shah	00007914	02/09/1996
7.	Mahendra Bhogilal Sanghvi	00084162	30/08/2001
8.	Ramkisan Amirchand Devidayal	00238853	26/07/2008
9.	Sudesh Kumar Duggal	00566943	25/10/2008

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of theCompany.

For Devesh Pathak & Associates
Sd/-
Devesh A. Pathak
FCS 4559
CP No. 2306

Place : Vadodara
Date : 22nd May, 2019

MUNJAL AUTO
INDUSTRIES LIMITED

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

Pratiksha : 098252 62512

MUNJAL AUTO INDUSTRIES LIMITED

Regd. Office: 187, GIDC Industrial Estate, Waghodia 391760, Dist. Vadodara, Gujarat
Phone : (02668) 262421-22, Fax : (02668) 262427
E-mail : cs@munjalauto.com, Website : www.munjalauto.com
CIN : L34100GJ1985PLC007958

NOTICE

Notice is hereby given that the 34th Annual General Meeting (AGM) of the members of MUNJAL AUTO INDUSTRIES LIMITED will be held on Saturday, the 31st day of August, 2019 at 03:00 p.m. at the Registered Office of the Company situated at 187, GIDC Industrial Estate, Waghodia – 391 760, Dist: Vadodara, to transact the following businesses :-

ORDINARY BUSINESS

Item No. 1:- To consider and adopt Financial Statements

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2019 and the reports of Board of Directors ("Board's Report") and Auditors thereon.

Item No. 2:- To declare Dividend

To declare a final dividend @50% i.e. Rs.1.00/-per equity share on 10,00,00,000 equity shares of the Face Value of Rs. 2/- each for financial year 2018-19.

Item No. 3:- To appoint a Director in place of Mrs. Anju Munjal (DIN 00007867) as a director liable to retire by rotation

To appoint a Director in place of Mrs. Anju Munjal, who retires by rotation, and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

ITEM NO. 4:- TO APPROVE REVISION OF REMUNERATION AS WELL AS CONTINUATION OF PAYMENT OF REMUNERATION TO MR. SUDHIR KUMAR MUNJAL, (DIN: 00084080) AS A MANAGING DIRECTOR

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

"RESOLVED THAT in partial modification of Resolution No.5 passed at the 33rd Annual General Meeting of the Company held on 25th August, 2018 in respect of re-appointment of and remuneration payable to Mr. Sudhir Kumar Munjal Managing Director of the Company and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the Company, be and is, hereby accorded to the revision in the terms of remuneration of Mr. Sudhir Kumar Munjal as a Managing Director of the Company, by way of increase in the maximum amount of salary payable to Mr. Sudhir Kumar Munjal with authority to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) with effect from 1st April, 2019 up to his residual tenure ending on 28th October, 2023 at a remuneration of Rs.25,00,000 (Rupees Twenty Five Lacs only) per month and perquisites and on such terms and conditions as set out in the explanatory statement annexed hereto and draft Supplemental Agreement to be entered into by the Company with him as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company at their respective meeting held on 22nd May, 2019.

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

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, applicable provisions of the Companies Act, 2013 read with rules made thereunder and other applicable laws, if any [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] as also pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, **Approval,** be and is, hereby accorded, to the continuation of payment of remuneration to Mr. Sudhir Kumar Munjal (belonging to promoter group) as a Managing Director on the existing terms and conditions as approved by the shareholders of the Company, at their 33rd Annual General Meeting held on 25th August 2018 for his residual term ending on October 28, 2023 notwithstanding:

(a) the annual remuneration payable to him exceeds Rs. 5 Crores or 2.5 percent of the net profit of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

(b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profit of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT Any Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things, including to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

ITEM NO. 5:- TO APPROVE REVISION OF REMUNERATION OF, CONTINUATION OF PAYMENT OF REMUNERATION TO AS WELL AS RE-APPOINTMENT OF MRS. ANJU MUNJAL (DIN: 00007867) AS A WHOLE TIME DIRECTOR OF THE COMPANY

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

"RESOLVED THAT in partial modification of earlier resolution no. 13 passed by the members at their 29th Annual General Meeting held on 08th August, 2014 in respect of reappointment of Mrs. Anju Munjal, as a Whole Time Director for the period of five years w.e.f. September 29, 2014 read with resolution no. 2 passed through Postal Ballot dated 28th March, 2017 in respect of revision of remuneration and pursuant to section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the Company, be and is, hereby accorded to the revision in the terms of remuneration of Mrs. Anju Munjal as a Whole Time Director of the Company, by way of increase in the maximum amount of salary payable to Mrs. Anju Munjal with authority to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) with effect from 1st April, 2019 up to her residual tenure ending on 28th September, 2019 at a remuneration of Rs.21,87,500 (Rupees Twenty One Lacs Eighty Seven Thousand Five Hundred only) per month and perquisites and on such terms and conditions as set out in the explanatory statement annexed hereto and draft Supplemental Agreement to be entered into by the Company with her as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company at their respective meeting held on 22nd May, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Regulation 17 and other regulations applicable, if any of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], **Approval** be and is hereby accorded to the re-appointment of Mrs. Anju Munjal, as Whole Time Director of the Company for a period of five years w.e.f. September 29, 2019 even if she has already attained the age of 70 years on the terms and conditions as set out in the explanatory statement annexed hereto and the Draft Agreement including remuneration as approved by the Nomination & Remuneration Committee and the Board of Directors.

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

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

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, applicable provisions of the Companies Act, 2013 read with rules made thereunder other applicable laws if any [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] as also pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, **Approval,** be and is, hereby accorded, to the continuation of payment of remuneration to Mrs. Anju Munjal (belonging to promoter group) as a Whole Time Director as per existing terms and conditions as approved by the shareholders of the Company, at their 29th Annual General Meeting held on 08th August, 2014 for her residual terms ending on 28th September, 2019 and reappointment term from September 29, 2019 to September 28, 2024 notwithstanding:

(a) the annual remuneration payable to her exceeds Rs. 5 Crores or 2.5 percent of the net profit of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

(b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profit of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT Any Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things, including to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

ITEM NO. 6:- TO APPROVE REVISION OF REMUNERATION OF, CONTINUATION OF PAYMENT OF REMUNERATION AS WELL AS RE-APPOINTMENT OF MR. ANUJ MUNJAL (DIN: 02714266) AS A WHOLE TIME DIRECTOR OF THE COMPANY

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

"RESOLVED THAT in partial modification of earlier resolution no. 2 passed by the members through Postal Ballot on 03rd January, 2015 in respect of re-appointment of Mr. Anuj Munjal as a Whole Time Director for the period of five years w.e.f. June 01, 2015 read with resolution no. 3 passed through Postal Ballot dated 28th March, 2017 in respect of revision of remuneration and pursuant to section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the Company, be and is, hereby accorded to the revision in the terms of remuneration of Mr. Anuj Munjal as a Whole Time Director of the Company, by way of increase in the maximum amount of salary payable to Mr. Anuj Munjal with authority to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) with effect from 1st April, 2019 up to his residual tenure ending on 31st May, 2020 at a remuneration of Rs.21,87,500 (Rupees Twenty One Lacs Eighty Seven Thousand Five Hundred only) per month and perquisites and on such terms and conditions as set out in the explanatory statement annexed hereto and draft Supplemental Agreement to be entered into by the Company with him as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company at their respective meeting held on 22nd May, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Regulation 17 and other regulations applicable, if any of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], **Approval** be and is hereby accorded to re-appointment of Mr. Anuj Munjal as a Whole Time Director of the Company for a period of five years w.e.f. June 01, 2020, on the terms and conditions as set out in the explanatory statement annexed hereto and Draft Agreement including remuneration as approved by the Nomination & Remuneration Committee and the Board of Directors.

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

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

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, applicable provisions of the Companies Act, 2013 read with rules made thereunder and other laws applicable, if any [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] as also pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Approval, be and is, hereby accorded, to the continuation of payment of remuneration to Mr. Anuj Munjal (belonging to promoter group) as a Whole Time Director on the existing terms and conditions as approved by the shareholders of the Company through Postal Ballot on 03rd January, 2015 for his residual term ending on 31st May, 2020 and reappointment term from June 01, 2020 to May 31, 2025, notwithstanding:

(a) the annual remuneration payable to him exceeds Rs. 5 Crores or 2.5 percent of the net profit of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

(b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profit of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT Any Director or Key managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds and things, including to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

ITEM NO. 7:- TO APPROVE RE-APPOINTMENT OF MR. VIKRAM SHAH (DIN: 00007914) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] as also regulation 16(1)(b), regulation 17(1A) and other applicable regulations of the SEBI (LODR) Regulations, 2015 and based on the recommendation of the Nomination and remuneration Committee and approval of the Board of Directors, Mr. Vikram Shah, who was appointed as an Independent Director for consecutive term of five years up to the conclusion of ensuing 34th Annual General Meeting by the shareholders and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years commencing from 34th Annual General Meeting till the conclusion of 39th Annual General Meeting, not liable to retire by rotation."

RESOLVED FURTHER THAT Any Director or Key Managerial Person of the Company be and is, hereby severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to aforesaid resolutions".

ITEM NO. 8:- TO APPROVE RE-APPOINTMENT OF MR. RAMKISAN DEVIDAYAL (DIN: 00238853) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) as also regulation 16(1)(b), regulation 17(1A) and other applicable regulations of the SEBI (LODR) Regulations, 2015 and based on the recommendation of the Nomination and remuneration Committee and approval of the Board of Directors, Mr. Ramkisan Devidayal, who was appointed as an Independent Director for consecutive term of five years up to the conclusion of ensuing 34th Annual General Meeting by the shareholders and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years commencing from 34th Annual General Meeting till the conclusion of 39th Annual General Meeting, not liable to retire by rotation.

RESOLVED FURTHER THAT Any Director or Key Managerial Person of the Company be and is, hereby severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to aforesaid resolutions".

ITEM NO. 9:- TO APPROVE RE-APPOINTMENT OF MR. MAHENDRA SANGHVI (DIN: 00084162) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) as also regulation 16(1)(b), regulation 17(1A) and other applicable regulations of the SEBI (LODR) Regulations, 2015 and based on the recommendation of the Nomination and remuneration Committee and approval of the Board of Directors, Mr. Mahendra Sanghvi, who was appointed as an Independent Director for consecutive term of five years up to the conclusion of ensuing 34thAnnual General Meeting by the shareholders and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years commencing from 34th Annual General Meeting till the conclusion of 39th Annual General Meeting and also continue as an Independent Director of the Company even if he will attain the age of 75 years during current tenure, not liable to retire by rotation."

"RESOLVED FURTHER THAT Any Director or Key Managerial Person of the Company be and is, hereby severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to aforesaid resolutions".

ITEM NO. 10:- TO APPROVE RE-APPOINTMENT OF MR. NARESH KUMAR CHAWLA (DIN: 00007842) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) as also regulation 16(1)(b), regulation 17(1A) and other applicable regulations of the SEBI (LODR) Regulations, 2015 and based on the recommendation of the Nomination and remuneration Committee and approval of the Board of Directors, Mr. Naresh Kumar Chawla, who was appointed as an Independent Director for consecutive term of five years up to the conclusion of ensuing 34th Annual General Meeting by the shareholders and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years commencing from 34th Annual General Meeting till the conclusion of 39th Annual General Meeting and also continue as an Independent Director of the Company even if he has already attained the age of 75 years, not liable to retire by rotation.

RESOLVED FURTHER THAT Any Director or Key Managerial Person of the Company be and is, hereby severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to aforesaid resolutions".

ITEM NO. 11:- TO APPROVE RE-APPOINTMENT OF MR. JAL RATANSHAW PATEL (DIN: 00065021) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) as also regulation 16(1)(b), regulation 17(1A) and other applicable regulations of the SEBI (LODR) Regulations, 2015 and based on the recommendation of the Nomination and remuneration Committee and approval of the Board of Directors, Mr. Jal Ratanshaw Patel, who was appointed as an Independent Director for consecutive term of five years up to the conclusion of ensuing 34th Annual General Meeting by the shareholders and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years commencing from 34th Annual General Meeting till the conclusion of 39th Annual General Meeting and also continue as an Independent Director of the Company even if he has already attained the age of 75 years, not liable to retire by rotation."

RESOLVED FURTHER THAT Any Director or Key Managerial Person of the Company be and is, hereby severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to aforesaid resolutions".

ITEM NO. 12:- TO APPROVE RE-APPOINTMENT OF MR. SUDESH KUMAR DUGGAL (DIN: 00566943) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) as also regulation 16(1)(b), regulation 17(1A) and other applicable regulations of the SEBI (LODR) Regulations, 2015 and based on the recommendation of the Nomination and remuneration Committee and approval of the Board of Directors, Mr. Sudesh Kumar Duggal, who was appointed as an Independent Director for consecutive term of five years up to the conclusion of ensuing Annual General Meeting by the shareholders and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company for a term of five years commencing from 34th Annual General Meeting till the conclusion of 39th Annual General Meeting and also continue as an Independent Director of the Company even if he has already attained the age of 75 years, not liable to retire by rotation.

RESOLVED FURTHER THAT Any Director or Key Managerial Person of the Company, be and is, hereby severally authorized to do all such acts, deeds and things as may be necessary and expedient to give effect to aforesaid resolutions".

Place : Waghodia, Vadodara	By Order of the Board of Directors
Date : May 22, 2019	For Munjal Auto Industries Ltd.
Registered Office:	Sd/-
187, GIDC Industrial Estate,	Rakesh Johari
Waghodia – 391 760	Company Secretary
Dist.: Vadodara (Gujarat)	ACS 19153

Notes :

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to special business to be transacted at the AGM is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANY OTHER PERSON AS A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   As per Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of Members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.

   The Attendance Slip and a Proxy Form with clear instructions for filling, stamping, signing and/or depositing the Proxy Form are enclosed. Members / proxies should bring duly filled attendance slips sent herewith to attend the meeting.
3. The Register of Directors' and Key Managerial Person, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
4. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Monday, August 26, 2019 to Saturday, August 31, 2019 (both days inclusive) for the purpose of 34th AGM of the Company and for determining the entitlement of the shareholders for final dividend for the financial year 2018-19, as may be approved by the Members at the meeting.

5. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants with whom they maintain their demat accounts will be used by the Company for payment of dividend. The Company or Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars or bank mandates. Members holding shares in demat form are, therefore, requested to intimate any change in their addresses and/or bank mandate immediately to their Depository Participants.

6. Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agent i.e. M/s. MCS Share and Transfer Agent Limited, Neelam Apartments,1st Floor, 88, Sampatrao Colony, Above Chappanbhog Sweets, Alkapuri, Vadodara - 390007, Gujarat, Tel. No.: (0265) 2350490/2314757, Fax: (0265) 2341639, E-mail: mcsltdbaroda@gmail.com.

7. Members, who desire to seek any information pertaining to Annual accounts and operations of the Company, are requested to address their questions / queries to the Secretary of the Company so as to reach at least seven days before the date of the Annual General Meeting to enable the Company to make the information sought available to the best extent possible.

8. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not enchased or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 and other provisions applicable, if any, of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund. Members are encouraged to utilize the electronic clearing system (ECS) for receiving dividends.

9. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email addresses either with the Company/Registrar or with the Depository Participant(s). Members who have not registered their email addresses with the Company can now register the same by submitting a duly filled-in request form with the Registrar. Members holding shares in demat form are requested to register their email addresses with their Depository Participant(s) only.

10. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for better management of the securities. Members can write to the Registrar in this regard.

11. Information in respect of unclaimed dividend pertaining to the subsequent financial years when due for transfer to the said Fund is given below:

Financial Year ended	Date of Declaration of Dividend	Last Date upto which claim can be lodged for unpaid Dividend
31.03.2011	24.09.2011	23.09.2018
31.03.2012	22.09.2012	21.09.2019
31.03.2013	10.08.2013	07.08.2020
31.03.2014	08.08.2014	07.08.2021
31.03.2015	22.08.2015	21.08.2022
31.03.2016*	23.03.2016	22.03.2023
31.03.2017	30.06.2017	29.06.2024
31.03.2018	25.08.2018	24.08.2025

* Interim Dividend

12. **E-Voting:**

Pursuant to Section 108 of the Companies Act, 2013 read with the relevant Rules of the Act, The Company is pleased to provide E-voting facility through Central Depository Services Limited as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 34th Annual General Meeting of the Company dated May 22, 2019 (the AGM Notice). The Company has appointed Mr. Devesh A. Pathak, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on Saturday, August 24, 2019. The e-voting will commence at 9:00 AM on Wednesday, August 28, 2019 and will end at 5:00 PM on Friday, August 30, 2019. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

13. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard- 2 in respect of the Director seeking appointment/re-appointment at the 34th AGM are annexed hereto as "Annexure B" to the Notice which forms part of the Explanatory Statement. The Company has received relevant disclosure.

14. The Annual Report 2018-19, the Notice of the 34th AGM and instructions for e-voting along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.

15. **Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares of a listed entity can only be transferred in demat form w.e.f. April 1, 2019 except in cases of transmission or transposition. Thus, the Company, during the year, had sent three letters and/or reminders to the members requesting to dematerialize their holdings.**

16. Members are requested to note that under Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Central Government of India. Further, all shares in respect of which dividends remain unclaimed/unpaid for seven consecutive years or more, are also required to be transferred to designated Demat Account of the IEPF Authority.

    Dividend for the financial year ended March 31, 2012, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') this year, pursuant to Section 124 of the Companies Act, 2013. The Company is in process of transfer of dividend declared for the financial year 2011-12 to IEPF.

PROCEDURE FOR E- VOTING

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Wednesday, August 28, 2019 (9:00 a.m. IST) and ends on Friday, August 30, 2019 (5:00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, August 24, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on **"Shareholders"** tab.

(v) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the image verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. - If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on **"SUBMIT"** tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach "**Password Creation**" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the **EVSN 190802013 of Munjal Auto Industries Limited** to vote.

(xiii) On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "**Click here to print**" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(B) Other Instructions:

1. The e-voting period will commence on Wednesday, August 28, 2019 (9:00 a.m. IST) and ends on Friday, August 30, 2019 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Saturday, August 24, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 24, 2019.
3. CS Devesh A. Pathak (CP No. 2306) of M/s. Devesh Pathak & Associates, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The Scrutinizer shall, within a period not exceeding two working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or authorised Key Managerial Personnel (KMP) of the Company.
5. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Devesh A Pathak, Practicing Company Secretary,

(Membership No. FCS 4559), at the Registered Office of the Company not later than Friday, August 30, 2019 (5:00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to cs@munjalauto.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Friday, August 30, 2019 (5:00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

6. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.munjalauto.com and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 34th AGM of the Company on August 31, 2019 and communicated to the BSE Limited and NSE Limited, where the shares of the Company are listed.

Explanatory statement under Section 102 of the Companies Act, 2013

Item No. 4, 5 & 6

TO APPROVE REVISION OF REMUNERATION AS WELL AS CONTINUATION OF PAYMENT OF REMUNERATION TO MR. SUDHIR KUMAR MUNJAL AS A MANAGING DIRECTOR AND TO APPROVE REVISION OF REMUNERATION OF, CONTINUATION OF PAYMENT OF REMUNERATION TO AS WELL AS RE-APPOINTMENT OF MRS. ANJU MUNJAL AND MR. ANUJ MUNJAL AS WHOLE TIME DIRECTORS OF THE COMPANY

Mr. Sudhir Kumar Munjal was re-appointed as a Chairman & Managing Director w.e.f. October 29, 2018 for the period of five years and Mrs. Anju Munjal & Mr. Anuj Munjal were re-appointed as Whole time Directors w.e.f. September 29, 2014 and June 01, 2015 respectively for the period of five years. Considering their valuable contributions and the increased job responsibilities, the Board of Directors at its meeting held on May 22, 2019 has pursuant to the recommendation of the Nomination and Remuneration Committee, approved an upward revision/ variation in the terms and conditions of remuneration to Mr. Sudhir Kumar Munjal as a Managing Director and to Mrs. Anju Munjal and Mr. Anuj Munjal, as Whole Time Directors of the Company w.e.f. April 01, 2019 as under:

1. Mr. Sudhir Kumar Munjal: Increase in remuneration to Rs.25,00,000 p.m. and perquisites and such terms and conditions as set out in draft supplemental agreement to be entered into between the Company and him.
2. Mrs. Anju Munjal: Increase in remuneration to Rs. 21,87,500 p.m. and perquisites and such terms and conditions as set out in draft supplemental agreement to be entered into between the Company and her.
3. Mr. Anuj Munjal: Increase in remuneration to Rs. 21,87,500 p.m. and perquisites and such terms and conditions as set out in draft supplemental agreement to be entered into between the Company and him.

All other terms and conditions of their appointments continue to be the same.

The Members of the Company had re-appointed Mrs. Anju Munjal and Mr. Anuj Munjal as the Whole Time Directors of the Company for a period of 5 years with effect from September 29, 2014 and June 01, 2015 respectively. The present term of their re-appointment would conclude on September 28, 2019 and May 31, 2020 respectively.

Having regard to the rich experience and valuable contributions of Mrs. Anju Munjal and Mr. Anuj Munjal to the Company as Whole Time Directors, the Board of Directors of your Company at its meeting held on May 22, 2019 has recommended re-appointment of Mrs. Anju Munjal w.e.f. September 29, 2019 and Mr. Anuj Munjal w.e.f. June 01, 2020 respectively for a further period of five years pursuant to the Provisions of section 196, 197, 203 read with Schedule V of the Act on the terms and conditions as set out in the Draft Agreement including the remuneration as approved by the Nomination and Remuneration Committee in its meeting held on May 22, 2019.

MAJOR TERMS AND CONDITIONS OF THE DRAFT AGREEMENTS FOR RE-APPOINTMENT OF MRS. ANJU MUNJAL AND MR. ANUJ MUNJAL AS WHOLE TIME DIRECTORS

1. They will continue to act as Whole Time Directors of the Company for a further period of five years commencing from September 29, 2019 and June 01, 2020 respectively and shall perform the duties and exercise the powers hereinafter mentioned and also all such powers which from time to time may be assigned to or vested in them by the Board of Directors of the Company;
2. They will devote their whole time and attention during business hours to the business of the Company;
3. Whenever required by the Company, they will travel in India and elsewhere in connection with the business of the Company;

4. The Company to remunerate them in consideration of performance of their duties as under:

Sr. No.	Particulars	Mrs. Anju Munjal	Mr. Anuj Munjal
a.	Basic Salary	10,93,750 p.m.	10,93,750 p.m.
b.	**Allowances**	**% of Basic Salary**	
◆	Special Allowance	60%	-
◆	House Rent Allowance	-	60%
◆	Medical Allowance	10%	10%
◆	Electricity Allowance	10%	10%
◆	Professional Development Allowance	10%	10%
◆	Education Allowance	5%	5%
◆	Soft Furnishing Allowance	5%	5%

c. Perquisites:

I. Residential Accommodation: Free furnished residential accommodation with free use of all the facilities and amenities provided by the Company to Mrs. Anju Munjal;

II. Children Education Allowance: In case of children studying in India or abroad, actual expenses shall be admissible to Mr. Anuj Munjal;

III. Car: Facility of Car(s) with Driver for the business of the Company;

IV. Telephone : Free telephone facility at their residence including Mobile Phone and internet for the business of the Company;

V. Medical Reimbursement: Reimbursement of actual medical expenses incurred by them and their family;

VI. Club Fees: Actual fees of clubs to be paid by the Company;

VII. Leave Travel Concession: For the appointee and their family once in a year incurred in accordance with any rules specified by the Company;

VIII. Personal Accident Insurance : Actual premium to be paid by the Company;

IX. Insurance of Household goods : Actual premium to be paid by the Company;

X. Reimbursement of Expenses: Reimbursement of entertainment, travelling, hotel and other expenses for the business of the Company (domestic or abroad) in accordance with applicable rules;

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

d. Retiral benefits: (not to be included in the remuneration in case of absence or inadequacy of profit as detailed below):

I. Company's contribution to Provident Fund and Superannuation or Annuity Fund: to the extent not taxable under the Income Tax Act, 1961.

II. Gratuity: Payable at the rate not exceeding half a month's salary of each completed year of service.

III. Leave Encashment at the end of the tenure of services of the Whole Time Directors.

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

e. Minimum Remuneration: If in any financial year during the currency of tenure of Mrs. Anju Munjal or Mr. Anuj Munjal as a Whole Time Directors, the Company has no profits or the profits are inadequate, they shall be entitled to minimum remuneration by way of Basic Salary, Perquisites, allowances within limits prescribed under Section II, Part II of Schedule V of the Companies Act, 2013, as amended from time to time.

6. As long as they will function as Whole time Directors, no sitting fee to be paid to them for attending the meetings of the Board of Directors or committee(s) thereof.

7. Either party shall be entitled to terminate the Agreement by giving to the other party 180 days' notice in writing without showing any cause.

Requisite Additional information as prescribed in item no. (iv) of sub-paragraph "B" of paragraph (1) of section II of schedule V of Companies Act, 2013 is available in "Annexure A" to this notice.

Copies of Draft Agreements will be available for inspection between 10 a.m. to 12 noon on all working days except Saturday and Sunday up to the date of Annual General Meeting.

Their brief profile pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 is set out in 'Annexure B' to the explanatory statement.

Newly inserted sub regulation 6(e) to Regulation 17 to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') requires approval of shareholders by way of Special Resolution in following circumstances.

"the payment of any fees or compensation to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution, if :

a) the annual remuneration payable to such executive director exceeds Rs. 5 Crore or 2.5 percent of the net profits of the listed entity, whichever is higher; or

b) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profits of the listed entity."

Your Company has three Executive Directors belonging to promoter group viz. Mr. Sudhir Kumar Munjal, Chairman & Managing Director as well as Mrs. Anju Munjal and Mr. Anuj Munjal, Whole Time Directors who have been earlier appointed by the shareholders on 25th August, 2018, 8th August, 2014 & 01st June, 2015 respectively on the terms and Conditions including remuneration as approved by Nomination and Remuneration committee as well as Board of Directors pursuant to the Companies Act, 2013.

Details of remuneration drawn by them are available in the Corporate Governance Report.

Accordingly, Your Directors recommend and seek your approval to the resolutions as appearing in item no. 4, 5 & 6 of the accompanying notice by way of Special Resolution.

None of the Directors / Key Managerial Personnel or their relatives except Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal as well as their relatives shall be deemed to be concerned or interested in the resolutions except to the extent of their shareholding, if any.

Item No. 7

Earlier Mr. Vikram Shah was appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 to hold office from the conclusion of 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held in the year 2019, not liable to retire by rotation.

Mr. Vikram Shah holds a Bachelor's degree in Commerce from Gujarat University. He is also a fellow member of the Institute of Chartered Accountants of India.

Mr. Shah was a practicing Chartered Accountant in Ahmedabad till 1987 and by deftly handling Audit and Taxation assignments earned a reputation of high calibre.

After distinguishing himself in the accountancy profession, Mr. Shah entered Venture Capital and Investment Advisory field. His client base is well spread, highly educated, successful and versatile comprising of high net worth individuals and corporate bodies. Mr. Shah's investment philosophy, strategy and focus is on professionally managed corporate houses known for creating value for shareholders on a long term basis in an ethical manner.

Currently he is a Chairman of Vikram Advisory Services Private Limited and Vikram Venture Capital Private Limited.

None of the Directors/ Key Managerial Personnel or their relatives except Mr. Vikram Shah shall deemed to be interested or concerned, materially or otherwise in the resolution. Mr. Shah does not hold any shares or beneficial interest in any shares of your Company.

Brief particulars of director to be appointed/ re-appointed pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 is furnished in the Annexure 'B'.

Item No. 8

Earlier Mr. Ramkisan Devidayal was appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 to hold office from the conclusion of 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held in the year 2019, not liable to retire by rotation.

Mr Ramkisan Devidayal has a Master's Degree in commerce from Maharaja Sayajirao University of Baroda. He is an eminent industrialist having experience over 40 years in the agrochemical industry. He is past President of Forum of Industries, Chamber of Commerce and Association, Vice Chairman of Gujarat Pesticide Formulators Association, Ahmedabad. Mr. Ramkisan Devidayal was also the President of

Federation of Gujarat Industries from 2004 to 2006. Besides, Industrial activities, Mr. Ramkisan Devidayal is also associated with various social organizations i.e. as Vice Chairman of Baroda Citizen Council, Chairman of Navrachna Credit Co-operative Society and syndicate member of Maharaja Sayajirao University of Baroda.

Mr. Ramkisan Devidayal is proficient in managing all critical aspects of finance, marketing, administration and all key areas of operations. His continuation on the Board will enable the Company to gain from his considerable experience and expertise in relation to the company's business.

None of the Directors/ Key Managerial Personnel or their relatives except Mr. Ramkisan Devidayal shall deemed to be interested or concerned, materially or otherwise in the resolution. Mr. Devidayal does not hold any shares or beneficial interest in any shares of your Company.

Brief particulars of director to be appointed/ re-appointed pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 is furnished in the Annexure 'B'.

Item No. 9

Earlier Mr. Mahendra Sanghvi was appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 to hold office from the conclusion of 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held in the year 2019, not liable to retire by rotation.

Mr. Sanghvi is a Chemical Engineer from Wayne University, USA and Bachelor of Science from Gujarat University. Mr. Sanghvi has also done diploma in plastics engineering and business management from University of Toronto, Canada.

Mr. Sanghvi has a rich experience in Plastic Industry. He is Executive Chairman of Shaily Engineering Plastics Ltd. Shaily Engineering is engaged in manufacture of high precision injection moulded plastic components, assemblies, sub - assemblies, for various industries and OEM segments.

None of the Directors/ Key Managerial Personnel or their relatives except Mr. Mahendra Sanghvi shall deemed to be interested or concerned, materially or otherwise in the resolution. Mr. Sanghvi does not hold any shares or beneficial interest in any shares of your Company.

Brief particulars of director to be appointed/ re-appointed pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 is furnished in the Annexure 'B'.

Item No. 10

Earlier Mr. Naresh Kumar Chawla was appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 to hold office from the conclusion of 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held in the year 2019, not liable to retire by rotation.

Mr. Naresh Kumar Chawla is an Independent Director. He is a Post Graduate Diploma in Industrial Management and Maters of Business Administration (MBA) Gold Medallist from FMS, Delhi University. He is BSC (D. Tech) from Punjab University and Post-graduation in Economic Decision Analysis from Boston University, Belgium.

Mr. Naresh Kumar Chawla has versatile and enriched experience of more than five decades in various fields of corporate sector. He has worked for 30 years in one of the largest agro-based body corporate i.e. National Dairy Development Board and superannuated as its Executive Director with full Administrative and Financial powers of the Managing Director. He has served on the Boards of several PSUs & Cooperative Federations as Chairman/Director. He was Advisor to L&T / NIRO for several years. He has versatile knowledge in various fields of corporate sector viz. Accounts, Finance, Administration, Materials Management, Industrial Management, Marketing, etc. by virtue of his experience. He is the past Chairman of several organisations namely, Baroda Management Association, Committee for Dairy Industry of Bureau of Indian Standards (BIS) and Regional expert committee on Community Development of the Indian Management Association. He was the Spokes Person of the Indian Delegations to the Codex Committee (WHO) on Food Standards and International Dairy Federation.

None of the Directors / Key Managerial Personnel or their relatives except Mr. Naresh Kumar Chawla shall deemed to be interested or concerned, materially or otherwise in the resolution.

Apart from Munjal Auto Industries Limited, Mr. Chawla is not on the Board of any other public limited Company. Mr. Chawla holds 500 shares in the Company as on date.

Brief particulars of director to be appointed/ re-appointed pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 is furnished in the Annexure 'B'.

Item No. 11

Earlier Mr. Jal Ratanshaw Patel was appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 to hold office from the conclusion of 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held in the year 2019, not liable to retire by rotation.

Mr. Jal Patel is a Chartered Accountant and Company Secretary by qualification, having varied experience in the field of Finance / Commercial and Corporate Administration. He is a highly respected Industrialist and has retired as the Chairman of FAG Bearings India Ltd, (now known as Schaeffler India Ltd.) a company which he had joined as Chief Accountant and thereon went on to be its Managing Director, Vice Chairman and then Chairman. He is an Independent Director in several reputed public companies, including Gujarat Gas Company Ltd, Elecon Engineering India Ltd. He is a Director and advisor to the Goradia group of companies, Vadodara, which is predominantly in the oral consumer care business. He is a past President and currently managing committee member of Federation of Gujarat Industries and has also been a past President and governing body member of Gujarat Employers' Organization. He is past Chairman and permanent Invitee, Board of Governors, United Way of Vadodara. He holds membership and is a trustee in various trusts and social organizations in Vadodara.

None of the Directors / Key Managerial Personnel or their relatives except Mr. Jal Ratanshaw Patel shall deemed to be interested or concerned, materially or otherwise in the resolution. Mr. Patel does not hold any shares or beneficial interest in any shares of your Company.

Brief particulars of director to be appointed/ re-appointed pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 is furnished in the Annexure 'B'.

Item No. 12

Earlier Mr. Sudesh Kumar Duggal was appointed as Non-Executive Independent Director of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office from the conclusion of 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held in the year 2019, not liable to retire by rotation.

Mr. Sudesh Kumar Duggal, Retired Additional Chief Secretary (IAS officer) who has worked as Chief Executive Officer and Managing Director in Torrent Powers/ Surat Electricity Co. Ltd., as Managing Director of Gujarat State Fertilizer & Chemicals Limited, as Managing Director of Gujarat Communications & Electronics Ltd, besides holding various positions with Central Govt.(Planning Commission) and Gujarat State Govt. as head of various department including Secretary to Chief Minister and Secretary to Governor.

Mr. Duggal does not hold any shares or beneficial interest in any shares of your Company.

None of the Directors / Key Managerial Personnel or their relatives except Mr. Sudesh Kumar Duggal shall deemed to be interested or concerned, materially or otherwise in the resolution. Mr. Duggal does not hold any shares or beneficial interest in any shares of your Company.

Brief particulars of director to be appointed/ re-appointed pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 is furnished in the Annexure 'B'.

Place : Waghodia, Vadodara
Date : May 22, 2019

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

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

Sd/-
Rakesh Johari
Company Secretary
ACS 19153

ANNEXURE-'A' TO THE EXPLANATORY STATEMENT

Additional information required as per Schedule V to the Companies Act, 2013 relating to Item no. 4 to 6 of the Notice of Annual General Meeting:

I. General information:

(i) Nature of Industry: The Company is engaged in the manufacturing of Auto Component parts for two wheelers and four wheelers.

(ii) Date or expected date of commencement of commercial production: The Company's plants for manufacturing the Auto Component parts for two wheelers and four wheelers are fully operational.

(iii) Financial performance based on given indicators:

(Rs. In Crores)

Particulars	Financial year	
	2018-19	**2017-18**
Effective Capital	306.66	236.08
Total Income	1,150.89	1,060.87
Profit after Tax	33.25	41.59

(iv) Export performance and net foreign exchange earnings: Rs.93.07 Lakhs

(v) Foreign investments or collaborators, if any: Nil

II. Information about the Appointee:

(i) Background details of the Managerial Personnel:

(a) Mr. Sudhir Kumar Munjal is an Arts Graduate and having more than 48 years of rich experience in bicycle/ automobile/ engineering industry. Mr. Sudhir Kumar Munjal has served as Director of Munjal Auto Industries Limited during the period 1991 to 1993 & he assumed charge as Managing Director of the Company in 1993.

During his tenure as Managing Director, Mr. Munjal has successfully steered the change in focus of the business of the Company from Bicycle to Auto Components manufacturing, which resulted into turnaround of the Company in 1999-2000. He has also been appointed as Chairman of the Company w.e.f. March 28, 2015.

(b) Mrs. Anju Munjal is an Arts Graduate and having more than 32 years of rich experience in bicycle/automobile/engineering industry. In 1999, Mrs. Anju Munjal assumed charge as Whole Time Director of your Company. Under her stewardship, your Company is now one of the fastest growing auto components Company in India.

(c) Mr. Anuj Munjal is MBA in Finance and Marketing from North Eastern University, Boston (USA).He has more than 21 years of experience in the field of Marketing, Finance, Administration, IT, Purchase, Operations etc. Prior to joining Munjal Auto Industries Limited, Mr. Anuj Munjal was Chief Executive of Hero Cycles Limited (CR division).

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

(ii) Past remuneration: Details of the remuneration of Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal (2018-19) are set out in column no. (v) of this paragraph.

(iii) Recognition or awards: The Company has no information to offer.

(iv) Job Profile and suitability: Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal are vested with substantial powers of the Management of the Company subject to the overall supervision, direction and control of the Board of Directors of the Company. Having regard to their rich and very vast experience and contributions made so far to the Company in parity with their job profile, your Board of Directors are of the opinion that all three Directors are suitable to hold their respective position.

(v) Remuneration proposed: **(Rs. in Lacs)**

Particulars	Present Remuneration (FY 2018-19)			Proposed Remuneration (FY 2019-20)**		
	Mr. Sudhir Kumar Munjal	Mrs. Anju Munjal	Mr. Anuj Munjal	Mr. Sudhir Kumar Munjal	Mrs. Anju Munjal	Mr. Anuj Munjal
Gross Salary*	240.00	210.00	210.00	300.00	262.50	262.50

* In addition to perquisites as set out in draft Supplemental Agreement to be entered by Company with them and mentioned in paragraph-1 of section IV of part II of schedule V of the Act.

** Proposed remuneration effective from 01st April 2019.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The remuneration as proposed for Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company, responsibilities shouldered on them and the industry benchmarks. Moreover in their position as Managing Director and Whole Time Directors of the Company, they have devoted their substantial time in overseeing the operations of Company.

(vii) Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal are inter-se related.

(viii) Pecuniary relationship with the Company/ Managerial Personnel as aforesaid.

III. Other Information:

a. Reasons of loss or inadequate profits:

The main attribute for inadequate profits is increase in fixed cost but not increase in volumes of products.

b. Steps taken or proposed to be taken for improvement:

The Company has actively taken steps to improve on the performance of the Company by streamlining the various processes. These along with other measures including diversification by taking over majority stake in a private limited company engaged in Composites products and wind mill blades manufacturing and commencing BIW parts productions for four wheelers. The future outlook of your Company remains positive and with improvement in business sentiments, the Company is confident of improving its performance and profitability over the coming years.

c. Expected increase in productivity and profits in measurable terms:

The Company expects a better performance of the Company in all measurable parameters in the coming years in view of the various measures taken by the Company to improve on its performance.

IV. Disclosures:

Remuneration package of Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal has been set out as above. Other information relating to disclosure is available in the corporate governance report attached to the Board's Report for FY 2018-19.

ANNEXURE 'B' TO THE EXPLANATORY STATEMENT

Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 issued by Institute of Company Secretaries of India, information about the Directors proposed to be appointed / re-appointed is furnished below:

Name of Director	**Mr. Vikram Shah**	**Mr. Ramkisan Devidayal**	**Mr. Mahendra Sanghvi**
Date of Birth	27.09.1953	08.12.1950	22.02.1948
Date of Appointment	August 08, 2014	August 08, 2014	August 08, 2014
Expertise in specific functional areas	Accounting, Administration, Corporate Marketing, and Finance	Administration, Commercial, Marketing and Finance	Accounting, Administration, Marketing, Commercial and Finance
Qualification	Chartered Accountant	Masters' of Commerce from Maharaja Sayajirao University of Baroda	Chemical Engineer from Wayne University, USA & Bachelors of Science from Gujarat University
Shareholding in the Company	NIL	NIL	NIL
Directorship held in other public companies (excluding foreign companies)	NIL	1. Banco Products (India) Ltd. 2. Devidayal Electromet Limited 3. 20 Microns Limited 4. 20 Microns Nano Mineral Ltd. 5. Gujarat Metalcast Ltd. 6. ACL Mobiles Ltd.	1. Shaily Engineering Plastics Limited 2. Integra Engineering India Limited
Membership / Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	**Audit Committee- Chairman** - Banco Products (India) Ltd. - 20 Microns Nano Mineral Ltd. - 20 Microns Limited - ACL Mobiles Ltd. **Stakeholders Relationship Committee- Member** - Banco Products (India) Ltd. - 20 Microns Nano Mineral Ltd. - 20 Microns Limited	**Stakeholders Relationship Committee- Chairman** - Integra Engineering India Limited **Audit Committee- Member** - Integra Engineering India Limited
Disclosure of Relationships between Director inter-se	NIL	NIL	NIL

Name of Director	**Mr. Naresh Kumar Chawla**	**Mr. Sudesh Kumar Duggal**	**Mr. Jal Ratanshaw Patel**
Date of Birth	21.01.1942	02.12.1939	17.09.1937
Date of Appointment	August 08, 2014	August 08, 2014	August 08, 2014
Expertise in specific functional areas	Accounting, Finance, Administration, Material Management, Industrial Management & Marketing	Administration, Commercial, Accounts and Finance	Accounting, Administration, Marketing, Commercial and Finance
Qualification	MBA from Delhi University and Post-graduation in Economic Decision Analysis from Boston University, Belgium	Graduate from Punjab University, Post Graduate from London School of Economics and Retired Senior IAS Officer	FCA & FCS
Shareholding in the Company	500 shares	NIL	NIL
Directorship held in other public companies (excluding foreign companies)	NIL	NIL	1. Ineos Styrolution India Limited 2. Elecon Engineering Company Limited 3. Gujarat Gas Limited
Membership / Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL	**Audit Committee- Chairman** · Gujarat Gas Limited · Ineos Styrolution India Limited · Elecon Engineering Company Limited **Stakeholders Relationship Committee- Chairman** · Elecon Engineering Company Limited **Stakeholders Relationship Committee- Member** · Gujarat Gas Limited · Ineos Styrolution India Limited
Disclosure of Relationships between Director inter-se	NIL	NIL	NIL

Name of Director	**Mr. Sudhir Kumar Munjal**	**Mrs. Anju Munjal**	**Mr. Anuj Munjal**
Date of Birth	October 26, 1946	April 14, 1949	June 13, 1974
Date of Appointment in current tenure	October 29, 2018	September 29, 2014	June 01, 2015
Expertise in specific functional areas	Administration, Commercial and Expertise in bicycle/ automobile/ engineering industry.	Administration, Commercial, Material Management and Finance	Marketing, Finance, Administration, IT, Purchase and Operations
Qualification	Graduate in Arts	Graduate in Arts	MBA in Finance and Marketing from North Eastern University, Boston (USA)
Shareholding in the Company	NIL	622 shares	NIL
Directorship held in other public companies (excluding foreign companies)	NIL	NIL	NIL
Membership / Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL	NIL
Disclosure of Relationships between Director inter-se	Mr. Sudhir Kumar Munjal is spouse of Mrs. Anju Munjal and father of Mr. Anuj Munjal	Mrs. Anju Munjal is spouse Mr. Sudhir Kumar Munjal and mother of Mr. Anuj Munjal	Mr. Anuj Munjal is Son of Mr. Sudhir Kumar Munjal and Mrs. Anju Munjal

MUNJAL AUTO INDUSTRIES LIMITED
Regd. Office: 187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat.
Phone - (02668) 262421-22, **Fax -** (02668)262427
E-mail : cs@munjalauto.com Website : www.munjalauto.com
CIN: L34100GJ1985PLC007958

34th Annual General Meeting

ATTENDANCE SLIP

Registered Folio No./ DP ID & Client ID:________________________

No. of Share(s) held: ____________________

Name(s) in full	Father/Husband's Name	Address as registered With the Company
1. ____________________	____________________	____________________
2. ____________________	____________________	____________________
3. ____________________	____________________	____________________

I/We hereby record my/our presence at the **34th Annual General Meeting** of the Company being held at Registered Office of the Company at 187, GIDC Estate, Waghodia – 391 760 Dist. Vadodara (Gujarat) on Saturday, the 31st August, 2019 at 3.00 p.m.

Signature of the Member(s)/Proxy

1. ______________________________
2. ______________________________
3. ______________________________

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

Notes :

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

PROXY FORM

FORM NO. MGT-11

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

CIN	L34100GJ1985PLC007958
Name of the Company	Munjal Auto Industries Limited
Registered office & Venue of AGM	187, GIDC Industrial Estate, Waghodia, Vadodara - 391760
Date & Time of AGM	Saturday, August 31, 2019 at 3.00 PM
Name of the Member(s)	
Registered Address:	
E-Mail Id:	
Folio No./ DP ID & Client ID	

I/We, being the member (s) of ………… shares of Munjal Auto Industries Limited, hereby appoint

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **34th Annual General Meeting** of the Company, to be held on **Saturday, the 31st August, 2019 at 3.00 p.m.** at the **Registered office of the Company at 187, GIDC Industrial Estate, Waghodia, Vadodara - 391760** and at any adjournment(s) thereof, in respect of such resolutions as are indicated below:

Sr.No.	**Resolutions**	**For**	**Against**
Ordinary Business			
1.	To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2019 and the reports of Board of Directors ("Board's Report") and Auditors thereon.		
2.	To declare a final dividend of 50% i.e. Rs.1.00/- per equity share on 10,00,00,000 equity shares of Face Value of Rs.2/- each for financial year 2018-19.		
3.	To appoint a Director in place of Mrs. Anju Munjal (DIN 00007867), who retires by rotation, and being eligible, offers herself for re-appointment.		
Special Business			
4.	To approve revision of remuneration as well continuation of payment of remuneration to Mr. Sudhir Kumar Munjal (DIN: 00084080) as a Managing Director of the Company.		
5.	To approve revision of remuneration of, continuation of payment of remuneration to as well as re-appointment of Mrs. Anju Munjal (DIN: 00007867) as a Whole Time Director of the Company.		
6.	To approve revision of remuneration of, continuation of payment of remuneration as well as to approve re-appointment of Mr. Anuj Munjal (DIN: 02714266) as a Whole Time Director of the Company.		
7.	To approve re-appointment of Mr. Vikram Shah (DIN: 00007914) as an Independent Director of the Company.		
8.	To approve re-appointment of Mr. Ramkisan Devidayal (DIN: 00238853) as an Independent Director of the Company.		
9.	To approve re-appointment of Mr. Mahendra Sanghvi (DIN: 00084162) as an Independent Director of the Company.		
10.	To approve re-appointment of Mr. Naresh Kumar Chawla (DIN: 00007842) as an Independent Director of the Company.		
11.	To approve re-appointment of Mr. Jal Ratanshaw Patel (DIN: 00065021) as an Independent Director of the Company.		
12.	To approve re-appointment of Mr. Sudesh Kumar Duggal (DIN: 00566943) as an Independent Director of the Company.		

Signed this…………………………… day of…………………………, 2019

Affix
₹ 1
Revenue
Stamp

Signature of Member………………………………

Signature of Proxy holder(s) ………………………………

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

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