

MUNJAL AUTO

29th Annual Report & Accounts 2013-14



Munjal Auto Industries Limited

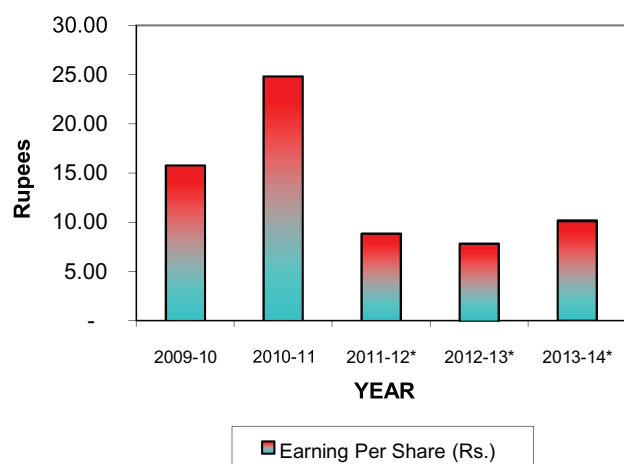
FINANCIAL STATISTIC

FIVE YEARS' TRACK RECORD

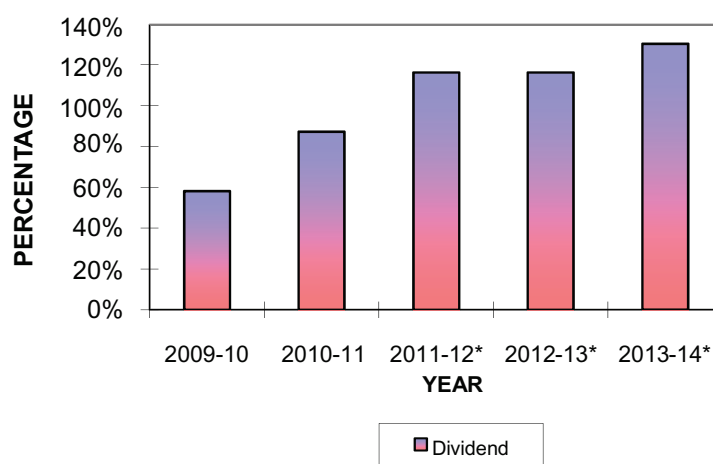
(Rs. In Lacs)

	2009-10	2010-11	2011-12*	2012-13*	2013-14*
Equity Share Capital	1,000	1,000	1,000	1,000	1,000
Reserves & Surplus	6,671	8,282	11,551	14,330	17,634
Deferred Tax Liability / (Assets)	235	348	524	646	657
Secured Loans	3,714	6,182	6,153	6,008	7,697
Total External Liability	5,105	8,867	11,643	10,355	12,937
Total Assets	16,725	24,679	30,871	32,339	39,925
Sales	32,693	57,225	73,582	78,622	89,192
YoY Growth	17.21%	75.04%	28.58%	6.85%	13.44%
Profit Before Depreciation, Interest & Tax (PBDIT)	2,860	4,483	6,610	5,999	6,803
Interest	81	397	779	687	619
Depreciation	527	808	1,003	1,138	1,245
Profit before Tax	2,252	3,278	4,828	4,174	4,939
Profit after Tax	1,575	2,487	4,432	3,949	4,766
Earning Per Share (Rs.)	15.79	24.83	8.86	7.90	9.53
Dividend	50%	75%	100%	100%	125%

EARNING PER SHARE



DIVIDEND



* Indicated EPS is of Face Value of Rs.2/- each. Every 1 (One) Equity Share of Rs.10/- (Ten) each subdivided into 5 (Five) Equity Shares of Rs.2/- each w.e.f. 31st December,2011.

BOARD OF DIRECTORS**CHAIRMAN**

Satyanand Munjal

MANAGING DIRECTOR

Sudhir Munjal

WHOLE TIME DIRECTORS

Anju Munjal

Anuj Munjal

DIRECTORS

Vikram Shah

Naresh Chawla

Mahendra Sanghvi

Ramkisan Devidayal

Sudesh Kumar Duggal

Jal Ratanshaw Patel

FINANCE TEAM

S. K. Sharma, GM – Finance

Rakesh Johari, Company Secretary

AUDITORS

Vakil Jain & Hindocha

Chartered Accountants

38, Gautam Nagar, Race Course,

Vadodara 390 007

PRINCIPAL 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, State: Haryana

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DIRECTORS' REPORT

To
The Members
Munjal Auto Industries Limited

Your Directors have pleasure in presenting the 29th Annual Report along with the Balance Sheet and Profit and Loss Account for the year ended March 31, 2014.

FINANCIAL RESULTS

Year ended March 31,	(Rs. in Lacs)	
	2014	2013
Sales & Other Income	89192.42	78622.38
Profit before Finance Cost & Depreciation	6802.66	5999.28
Depreciation	1244.86	1137.88
Finance Cost	619.14	686.98
Profit before Taxation	4938.66	4174.42
Provision for Taxation (Deferred & Current)	172.88	225.46
Profit after Taxation	4765.78	3948.96
Profit available for Appropriations	4765.78	3948.96
Appropriations		
Proposed Dividend on Equity Shares	1250.00	1000.00
Tax on Dividend	212.44	169.95
Transfer to General Reserve	476.58	394.89
Profit remaining after Appropriation/s	2826.76	2384.12

DIVIDEND

Your Directors have pleasure to recommend a dividend of 125% i.e. Rs.2.50/- on equity share of face value of Rs. 2/- each for the fiscal year ended 31st March, 2014. The dividend, if approved by the Members in the ensuing Annual General Meeting, would absorb Rs.1,462.43 lacs (Rs.1,169.95 lacs previous year) out of the distributable profits available.

The Register of Members and Share Transfer Books will remain closed from August 04, 2014 to August 08, 2014 (both days inclusive).

APPROPRIATIONS

After setting aside the amount of Rs.1,462.43 lacs toward dividend including dividend distribution tax and after transferring an amount of Rs. 476.58 lacs (Rs. 394.89 lacs previous year) to General Reserve, the balance amount of Rs.2,826.76 lacs (Rs. 2,384.12 lacs previous year) is being retained in the Profit and Loss Account.

PERFORMANCE

The Company has achieved sales turnover of Rs. 881.33 Crore registering a modest growth of 13.70% per cent. Profit before tax is Rs.49.39 Crore and profit after tax at Rs. 47.66 Crore during the year as against Rs.41.74 Crore and Rs.39.49 Crore respectively in the previous year.

CAPACITY UTILIZATION & PLANT OPERATIONS

All three units of the Company at Waghodia in Gujarat, Bawal in Haryana and Haridwar in Uttarakhand are running well and continue to operate at a satisfactory level of efficiency. The fourth unit at Dharuhera in Haryana has just become operational with an investment outlay of INR 32 crore. This new facility will further boost company's prospects to widen product range and exports.

DIRECTORS

In terms of the Articles of Association of the Company and the applicable provision of Companies Act, 1956, one-third of the Directors retires by rotation, if eligible, offer themselves for re-election at the Annual General Meeting of shareholders. Accordingly, Mr. Vikram Shah, Mr. Ramkisan Devidayal and Mr. Jal Ratanshaw Patel shall retire by rotation at this Annual General Meeting, being eligible, offer themselves for reappointment.

Your Board recommends the re-appointments of Mr. Vikram Shah, Mr. Ramkisan Devidayal and Mr. Jal Ratanshaw Patel as Independent Directors of the Company in terms of Section 149 and 152 of Companies Act, 2013, who in opinion of the Board fulfills the condition specified in the Act and rules made thereunder and are independent of Management.

In the opinion of the Board, all existing Non- Executive and Independent Directors of the Company viz. Mr. Vikram Shah, Mr. Naresh Chawla, Mr. Mahendra Sanghvi, Mr. Ramkisan Devidayal, Mr. Sudesh Kumar Duggal and Mr. Jal Ratanshaw Patel fulfills the conditions for their appointment as specified in the act and the listing agreement hence, the Board recommends appointment of aforesaid existing Directors as Independent Directors in terms of Section 149 and 152 of Companies Act, 2013.

Brief resume/details of the Directors, who is/are to be appointed/ re-appointed as mention herein above has been furnished along with the Explanatory Statements to the Notice of the ensuing Annual General Meeting.

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 attribute of your Company that has enabled it remain a consistent quality producer over the years.

AWARDS AND RECOGNITION

Your Company is known for its scrupulous adherence to high class manufacturing practices at all its plants and continues to receive accreditations/recognitions regularly over the years. In current FY, it received following recognitions:

- 1) 2nd Prize in 1st ACMA (Western Region) in Kaizen competition in Gujarat zone held in September, 2013.
- 2) Automotive Components Manufactures Association (ACMA), Center of Technology, has conferred an award for outstanding performance in Inventory Turnover Ratio to our Haridwar plant during Cluster VII (Oct-2011 to Sept-2013).

FINANCE AND ACCOUNTS

Your Company continued to focus on cash generation. The focus on managing optimal levels of inventory, sound business performance, operating efficiencies and cost saving across the organisation helped generate healthy cash flow. Your Company managed investments prudently by developing cash surplus in a balanced portfolio defined to offer primacy to safety and liquidity of the investments.

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 reasonable 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

As per clause 49 of the Listing Agreements entered into with the Stock Exchanges, Corporate Governance Report with Auditor's certificate thereon and Management Discussion and Analysis are attached and form part of this report.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year and hence, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, with regard to the Directors' responsibility statement, the Board of Directors confirms that:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- b) The selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and the profit of the Company for the year ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis.

AUDIT COMMITTEE RECOMMENDATION

During the year, The Board has accepted all recommendation of Audit Committee and accordingly no disclosure is required to be made in respect of no acceptance of the recommendation of the Audit Committee by the Board.

RATINGS FOR BORROWING

The long term ratings for bank facilities of your Company have been reaffirmed at AA- with stable outlook. The short term rating for short term bank facilities and commercial paper is also reaffirmed at A1+ by rating agency ICRA.

AUDITORS

The auditors, M/s. VAKIL, JAIN & HINDOCHA, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the Auditor's office, if reappointed.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is enclosed as per Annexure -I and forms part of this report.

PARTICULARS RELATING TO ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The particulars as prescribed under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the Annexure - II that forms part of this report.

PARTICULARS OF EMPLOYEES

As required under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, requisite particulars of employees are set out in the Annexure - III included in 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.

ACKNOWLEDGEMENTS

The Company would like to thank all of its Stakeholders, including inter alia Suppliers, Vendors, Investors and Bankers, a special mention 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
Munjtal Auto Industries Limited

Date : 19.05.2014

Sudhir Munjal

Place : Waghodia

Managing Director



ANNEXURE 'I' TO THE DIRECTORS' REPORT MANAGEMENT DISCUSSION ANALYSIS

Opportunities and Threats

Indian Economy and Business Outlook

Indian Economy's growth continued to be muted with the second successive year of sub 5% GDP growth. The year also saw the steepest currency depreciation since 1991; an environment permeated in large measure where industrial activity remained in contraction mode, consumption demand continued to weaken, while lackluster capital goods production pointed to stalled investment demand.

With sluggish growth across most of the tracts of economy, further compounded by high consumer inflation and weak sentiment, market growth all across the spectrum moderated throughout the year in both volume and value terms. The discretionary spending power was compressed due to increases in food prices. The operating context for the year therefore for the business sector was challenging, given the backdrop of a market slowdown, a volatile input cost environment and heightened competitive intensity.

Peaceful and fair conduction of recent General Elections in May, 2014 in India was not only a vindication yet again to suggest that the *largest liberal democracy* in the world is here to stay and has established its strong roots in India. A stable government at the centre, in the wake of a decisive mandate emerging from the elections, is a good augury for the interference-free governance. Hopefully, it will usher in the *feel good factor* followed by some concrete outcomes to bolster the sagged growth of Indian Economy

Your Company's performance for the year 2013-14 has to be viewed in the context of aforesaid macro environment.

Automotive Sector

Demographically and economically, India's automotive industry is well-positioned for growth. Servicing both domestic demand and increasingly export opportunities. A predicted increase in India's working-age population is likely to help stimulate the burgeoning market for private vehicles. Rising prosperity, easier access to finance and increasing affordability is expected to see four-wheelers gaining volumes, although two wheelers will remain the primary choice for the majority of purchasers, buoyed by greater appetite from rural areas, the youth market and women. Domestically, some consolidation or alliances might be expected, driven by the need for access to better technology, manufacturing facilities, service and distribution networks. The component sector is in a strong position to cash-in on India's cost-effectiveness, profitability and globally-recognized engineering capabilities. As the benefits of collaborations become more apparent, super-specialists may emerge in which the automobile is treated as a system with each specialist focusing on a sub-system, akin to the IT industry. Though this approach is radical, it could prove an important step in reducing complexity and investment requirements, while promoting standardization and meeting customer demands. Manufacturers are already planning for the future by advocating of

technological and distribution alliances yielding generally positive results, enabling domestic OEMs to access global technology and experience, and permitting them to grow their ranges with fewer financial risks.

This exciting outlook for the industry is set against a backdrop of two potentially game-changing transportation trends; the gradual legislative move towards greener, gas-based public transport vehicles and a greater requirement for urban mass mobility schemes to service rapidly-expanding cities, low cost car penetration, rising prosperity and the increasing affordability of private vehicles offer a healthy prognosis for the Indian automotive industry.

The Companies benefiting most from this evolving landscape will be those who forge judicious alliances and resource-sharing agreements, who prepare for the growing importance of green technologies and who remain flexible enough to respond to the twin needs of private light transport and mass transport schemes.

Risks and Concerns – Automotive Sector

Any Company's business is inherently exposed to many internal and external risks. Your Company has put in place robust systems and processes along with appropriate review mechanisms to actively monitor, manage and mitigate these risks. Some of the risks are listed below:

- Raw Material, Conversion Costs & Pressure on Margins

Financial Year 2013-14 too, as has been the trend of last couple of years, saw a continuing pressure in commodity prices on account of high inflation that has continued to besiege India. Unabated pressure of rising prices all around will continue to challenge the Company face headwinds on raw material pricing front. High content of raw material & components in the final cost of Company's products will mean an increased pressure on margins. To control over other conversion costs despite stringent cost controls, is an ongoing battle with little elbow room for further much reduction.

Margins have been under pressure for quite some time, notwithstanding, increased profitability numbers on the back of increased turnover year-after-year.

- Environment Regulations

Stringent regulatory norms are being introduced to safeguard the environment, especially in the area of emissions.

- Fuel prices and Its Adverse Impact

Fuel prices increase which is a recurring feature in India for some years now has been pretty severe and crippling in last three years. It has curtailed along with the massive increase in food prices, the discretionary spending of even relatively affluent sections of the Indian Society. It's becoming, together with the

high interest rates, a big scourge for an entire Auto Industry – across every spectrum. Geo-political tensions, near-boiling situation in almost entire Middle-East countries and the consequential uncertainty is increasing volatility in Crude prices. To add to the misery, the Indian Currency's steep decline in external value since last year has turned the ambitious demand projections made by all analysts few years back for automobiles have turned on their heads. It's hurting everyone cutting across all sections of the society – public and private transport being a very vital cog in the modern way of human living.

In the absence of a good *energy security*, India continues to be among the most vulnerable major economies of the World by any surge in oil prices; be it due to demand-supply disequilibrium or geopolitical disturbance.

While an increase in prices of fuel brings about some shift in auto sector – from four-wheeler to two-wheeler. Continuous price increase in fuel of the kind seen in last two years, acts as a dampener even for the two-wheelers with which your Company's future is intertwined.

- Financial market conditions

With the unabated threat of inflation, Reserve Bank of India has raised its policy interest rates significantly in last 24 months. It seems Government of India is quite seized with the inflationary pressure that has built up considerably in India since 2009. Dear Money Policy has already set in to rein in inflation and is expected to continue well into Year 2014 as per present reckoning.

New government at centre has promised to take measures to kick-start the investment cycle, which has been in rather low ebb for over two years now.

Future Outlook

While India remains predominately a cost conscience market, profitable niches are available for the products which address specific needs. This may be sustained by the example of growth in Scooter market, most of the scooters are 75-125 cc sub segment and gearless which are targeted at young people and women in particular. The growing population, significant proportion of which will be working age over the next decade is another source of demand to most automobile companies.

Amid fluid geopolitical situation, downturn in Indian Economy in last two years, considerably weakened India's macro-variables, there is a silver lining in the form of a new, stable government in place at centre. It though has its plate full of challenges, but the resilient spirit of Indians in general proactive stance of new government, the *animal spirit* of the Indian Businesses should activate in next few years.

Your Company's DNA attributes – *thrift in operational costs, accent on quality manufacturing and forward-looking policies* – will help it stay in good stead.

- Research and Development

As times are becoming more competitive, it is imperative that we move away from being a commodity supplier towards becoming a system supplier. Company has outsourced the R&D capability by entering into a tie up with a reputed European firm.

- Increase Product Range

Company is also constantly working on broadening its product portfolio. From manufacturing exclusively Rims and Mufflers until few years back, your Company today manufactures, other than mufflers, fuel tanks for cars and chassis components like impact beams etc.

- Continuous improvement and automation

As the business environment gets more competitive, it is imperative that we constantly look for better ways of doing work. In the past year, your Company has gone in for various automations like robotic welding, robotic painting, tool manufacturing and installation of Presses up to 1000 ton. The new Central Tool Room set up at Bawal in Haryana at an investment of INR 30 crore will further pave the way for improvement and quality ingredients for various components that company manufactures.

- Forward Looking Statements

Statements forming part of the Management Discussion and Analysis covered in this report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include demand and supply conditions, changes in government regulations, exchange rates, tax laws, monsoon, natural hazards, economic developments within the country and other factors.



ANNEXURE 'II' TO THE DIRECTORS' REPORT

Information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988

1. Conservation of Energy

The Management is perusing 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 i.e. 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

	(Rs. in Lacs)	
	2013-14	2012-13
(a) Total Foreign Exchange Earnings	833.10	2.07
(b) Total Foreign Exchange Outgo	622.61	371.58

ANNEXURE 'III' TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2014.

Sr. No	Name and Qualification	Designation	Remuneration (In Rs.)	Exp. (Years)	Age (Years)	Date of Commencement of Employment	Previous Employment & Designation
1.	Mr. Sudhir Munjal B.A.	Managing Director	2,39,47,041	44	68	31.10.1993	Majestic Auto Ltd. Executive Director
2.	Ms. Anju Munjal B.A.	Whole Time Director	1,71,99,110	28	64	01.01.1995	Munjal Auto Industries Ltd. Chief Executive
3.	Mr. Anuj Munjal MBA	Whole Time Director	1,38,29,433	17	40	01.06.2010	Hero Cycles Limited Chief Executive

Notes:

1. Remuneration comprises basic salary, allowances, commission and taxable value of perquisites.
2. All the above appointments are on contractual basis.
3. Mr. Sudhir Munjal, Managing Director, Mrs. Anju Munjal, Whole Time Director and Mr. Anuj Munjal, Whole Time Director are related to each other and also to Mr. Satyanand Munjal, Chairman of the Company.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of Munjal Auto Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
7. As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Director is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For VAKIL JAIN & HINDOCHA
Chartered Accountants
Firm Registration No.112894W

SURENDRA MODIANI
PARTNER
Membership No.047966

Place : Vadodara
Date : 19-05-2014



ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph 6 of the Auditor's Report to the members of Munjal Auto Industries Limited for the year ended 31st March, 2014

- 1) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification;
- (c) The Company has not disposed of substantial part of fixed assets.
- 2) (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) The Company has not granted any loans to and has also not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Act and therefore, the matters referred in paragraph 4 (iii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system.
- 5) To the best of our knowledge and belief and according to the information and explanations given to us,
 - (a) The particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section;
 - (b) Transactions, exceeding the value of five lac rupees in respect of any party during the year, made in pursuance of such contracts or arrangements, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted deposits from the public. Accordingly, paragraph 4(vi) of the Order is not applicable to the Company.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether these are accurate and complete.
- 9) According to the information and explanations given to us and as shown by our examination of the books of accounts:
 - (a) The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it and no undisputed amounts payable in respect thereof were in arrears, as on the last day of the financial year, for a period of more than six months from the date they became payable.
 - (b) There are no dues of Income-tax / Sales Tax / Wealth-tax / Service-tax / Custom duty / Excise duty / Cess which have not been deposited on account of any dispute.
- 10) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the financial year and in the immediately preceding financial year.
- 11) The Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- 12) The Company has not granted any loans or advances on the basis of any security.
- 13) The Company is not a nidhi / mutual benefit fund / society and is not engaged in business of chit fund. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company;

- 15) The Company has not given any guarantee for loans taken by others.
- 16) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the Company;
- 18) The Company has not made any preferential allotment of shares during the year.
- 19) The Company has not issued any debentures in respect of which any security was required to be created.
- 20) The Company did not raise any money by public issue during the year.
- 21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For VAKIL JAIN & HINDOCHA
Chartered Accountants
Firm Registration No.112894W

SURENDRA MODIANI
PARTNER
Membership No.047966

Place : Vadodara
Date : 19-05-2014

**BALANCE SHEET AS AT MARCH 31, 2014**

(Amount in Rs.)

Particulars	Note No	As at March 31, 2014	As at March 31, 2013
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	2.1	100,000,000	100,000,000
Reserves and Surplus	2.2	1,763,396,601	1,433,062,019
		<u>1,863,396,601</u>	<u>1,533,062,019</u>
<u>NON-CURRENT LIABILITIES</u>			
Long Term Borrowings	2.3	576,166,600	456,477,783
Deferred Tax Liabilities (Net)	2.4	65,711,021	64,640,092
Long Term Provisions	2.5	42,043,460	32,600,776
		<u>683,921,081</u>	<u>553,718,651</u>
<u>CURRENT LIABILITIES</u>			
Short Term Borrowings	2.6	50,984,051	54,934,831
Trade Payables	2.7	860,674,103	707,242,748
Other Current Liabilities	2.8	358,722,695	248,330,839
Short Term Provisions	2.9	174,846,785	136,590,798
		<u>1,445,227,634</u>	<u>1,147,099,216</u>
TOTAL		<u>3,992,545,316</u>	<u>3,233,879,886</u>
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Fixed Assets			
- Tangible Assets	2.10	1,310,637,958	1,261,268,062
- Intangible Assets	2.11	4,646,603	9,872,787
- Capital Work in Progress	2.12	416,293,605	56,511,116
Long Term Loans and Advances	2.13	79,566,813	68,740,169
Other Non Current Assets	2.14	223,203,617	138,561,527
		<u>2,034,348,596</u>	<u>1,534,953,661</u>
<u>Current Assets</u>			
Current Investments	2.15	453,236,561	609,083,194
Inventories	2.16	281,428,523	260,388,888
Trade Receivables	2.17	1,036,433,029	720,653,241
Cash and Cash Equivalents	2.18	104,665,331	67,760,408
Short Term Loans and Advances	2.19	82,433,276	41,040,494
		<u>1,958,196,720</u>	<u>1,698,926,225</u>
TOTAL		<u>3,992,545,316</u>	<u>3,233,879,886</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(1 & 2)

For and on behalf of the Board

As per our report attached
For Vakil Jain & Hindocha
Chartered Accountants
Firm Registration No. 112894W

S. K. Sharma
GM (Finance)

Surendra Modiani
Partner
Membership No. 47966

Rakesh Johari
Company Secretary

Vikram Shah	Director
Naresh Chawla	Director
Mahendra Sanghvi	Director
Ramkisan Devidayal	Director
Sudesh Duggal	Director
Jal Ratanshaw Patel	Director
Sudhir Munjal	Managing Director
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia
Date : 19th May, 2014

Waghodia
Date : 19th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	For the year ended March 31, 2014	(Amount in Rs.) For the year ended March 31, 2013
Revenue from operations			
Revenue from Operations (Gross)	2.20	8,877,203,079	7,799,701,641
Less : Excise Duty		<u>712,529,277</u>	<u>626,376,715</u>
Revenue from Operations (Net)		8,164,673,802	7,173,324,926
Other Income	2.21	<u>42,039,377</u>	<u>62,536,882</u>
Total Revenue		<u>8,206,713,179</u>	<u>7,235,861,808</u>
Expenses:			
Cost of Materials Consumed	2.22	6,185,414,242	5,529,539,409
Changes in Inventories of Finished Goods, Cost of Materials Consumed and Work in Progress	2.23	(4,509,021)	(13,287,155)
Employee Benefits Expenses	2.24	398,459,470	319,966,692
Finance Costs	2.25	61,913,908	68,698,479
Depreciation and Amortization Expenses	2.26	124,486,441	113,787,568
Other Expenses	2.27	947,081,879	799,714,485
Total Expenses		<u>7,712,846,919</u>	<u>6,818,419,478</u>
PROFIT BEFORE TAX		493,866,260	417,442,330
Tax Expenses			
Current Tax		100,859,091	79,605,975
Less : MAT Credit Entitlement		84,642,091	69,303,789
Net Current Tax		16,217,000	10,302,186
Deferred Tax		<u>1,070,929</u>	<u>12,244,159</u>
PROFIT FOR THE YEAR		<u>476,578,331</u>	<u>394,895,985</u>
Earning per Equity Share (of Rs. 2/- each)			
Basic		9.53	7.90
Diluted		9.53	7.90

**SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON ACCOUNTS**

(1 & 2)

As per our report attached
For Vakil Jain & Hindocha
Chartered Accountants
Firm Registration No. 112894W

S. K. Sharma
GM (Finance)

Surendra Modiani
Partner
Membership No. 47966

Rakesh Johari
Company Secretary

For and on behalf of the Board

Vikram Shah	Director
Naresh Chawla	Director
Mahendra Sanghvi	Director
Ramkisan Devidayal	Director
Sudesh Duggal	Director
Jal Ratanshaw Patel	Director
Sudhir Munjal	Managing Director
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia
Date : 19th May, 2014

Waghodia
Date : 19th May, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the year ended March 31, 2014	(Amount in Rs.) For the year ended March 31, 2013
A. Cash Flow from Operating Activities		
Net Profit Before Tax and Extra Ordinary Items	493,866,260	417,442,330
Adjustments for :		
Depreciation	124,486,441	113,787,568
Profit on Sale of Fixed Assets	428,719	-
Loss on sale / Discarded Assets	-	2,017,516
Lease Rent Paid	573	573
Cost of Foreign Exchange Rate Fluctuations	8,360,229	7,560,874
Loss on Sale of investments (Net)	-	46,655
Profit on Sale of Investments	(10,590,488)	-
Diminution of Value of Investment	(796,991)	796,991
Interest Income	(1,019,991)	(1,969,596)
Interest Expenses	53,553,679	61,137,605
Dividend Income	(15,200,866)	(33,986,972)
	159,221,305	149,391,214
Operating Profit Before Working Capital Changes	653,087,565	566,833,544
<u>Increase / Decrease in Working Capital :</u>		
Inventories	(21,039,635)	(55,150,241)
Trade Receivables	(315,779,788)	202,255,253
Other Current Assets	(47,956,507)	(33,782,051)
Trade Payables	153,003,185	(139,259,818)
Other Liabilities	60,886,845	(8,863,787)
	(170,885,900)	(34,800,644)
Cash Generated from Operations	482,201,665	532,032,900
Income Tax paid	(98,408,385)	(90,470,537)
Net Cash from Operating Activities A	383,793,280	441,562,363
B. Cash Flow from Investing Activities		
Purchases of Fixed Assets	(533,755,929)	(140,634,000)
Lease Rent paid	(573)	(573)
Proceeds from Sale of Fixed Assets	1,956,360	5,688,394
Sale of Investments	2,770,105,725	3,012,416,413
Purchase of Investments	(2,587,670,747)	(3,102,117,726)
Dividend Received	15,200,866	33,986,972
Interest Received	889,802	1,969,596
Net Cash used in Investing Activities B	(333,274,496)	(188,690,924)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Continued)

	For the year ended March 31, 2014	For the year ended March 31, 2013
(Amount in Rs.)		
C. Cash Flow from Financing Activities		
Dividend paid	(100,000,000)	(100,000,000)
Dividend Distribution Tax paid	(16,995,000)	(16,222,500)
Interest paid	(61,527,798)	(68,698,479)
Proceeds from Long Term Borrowings	325,000,000	100,000,000
Repayment of Long Term Borrowings	(156,140,283)	(114,519,243)
Working Capital Finance from Banks	(3,950,780)	4,248,711
Net Cash from Financing Activities C	(13,613,861)	(195,191,511)
Net Increase/(Decrease) in Cash & Cash equivalents	36,904,923	57,679,927
Cash and Cash Equivalents at the beginning of the year	67,760,408	10,080,481
Cash and Cash Equivalents at the end of the year	104,665,331	67,760,408

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(1 & 2)

As per our report attached
For Vakil Jain & Hindocha
Chartered Accountants
Firm Registration No. 112894W

Surendra Modiani
Partner
Membership No. 47966

Waghodia
Date : 19th May, 2014

S. K. Sharma
GM (Finance)

Rakesh Johari
Company Secretary

For and on behalf of the Board

Vikram Shah	Director
Naresh Chawla	Director
Mahendra Sanghvi	Director
Ramkisan Devidayal	Director
Sudesh Duggal	Director
Jal Ratanshaw Patel	Director
Sudhir Munjal	Managing Director
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia
Date : 19th May, 2014



1. Significant Accounting Policies

Company Overview

Munjal Auto Industries Limited is a manufacturing company engaged in manufacture of Exhaust systems, Wheels, Rims, Fuel tanks and other components for Auto Industries.

1.1 Basis of Preparation of Financial Statement

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and comply with mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use, or as otherwise disclosed.

1.2 Use of Estimates

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Revenue Recognition

Revenue is primarily derived from Sales of auto components.

- a) Sales are accounted inclusive of excise duty but net of Sales Tax / Value Added Tax.
- b) Sales are accounted on the date of removal of goods from the factory.

Interest income is recognized on time proportion basis.

Dividend Income is recognized when the right to receive dividend is established.

1.4 Provisions and Contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.5 Employees Benefits

a. Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. Actuarial gains / losses are charged to revenue in the year in which they arise. The Company contributes to a scheme administered by the Life Insurance Corporation of India to discharge the liabilities to the employees by policy taken for this purpose with LIC of India in the name of "Munjal Auto Industries Limited Employees' Gratuity Trust".

b. Other long term employee benefits :

Other long-term employee benefit viz., leave encashment is recognized as an expense in the Statement of Profit and Loss as and when it accrues. The Company determines the liability using the Projected Unit Credit Method with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefit are charged to the Statement of Profit and Loss.

c. Superannuation

The Company makes contribution to a scheme administered by the Life Insurance Corporation of India to discharge superannuation liabilities to the employees. The Company has no obligations to the Plan beyond its monthly contributions.

d. Provident Fund

Both the employees and the Company make monthly contributions to the provident fund equal to a specified percentage of the covered employees' salary. Contributions of the Company are recognized as expense in profit and loss account as and when these are incurred.

1.6 Fixed assets, Intangible Assets and Capital Work in Progress

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Cost of leasehold land has not been amortised over lease period due to the long tenure of the lease and smallness of amount.

1.7 Depreciation and Amortization

Depreciation has been provided as per straight-line method in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956; except that in case of expenditure of software and vehicles, depreciation is charged at a higher rate of 25 percent considering their useful life as estimated by the Management of the Company.

1.8 Foreign Currency Transactions

Transactions in Foreign Currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary items denominated in foreign currencies outstanding at the year-end are restated in Indian Rupees at the rates prevailing on the date of the balance sheet.

Any gain or loss on account of exchange difference either on a settlement of the obligation or on a translation is recognized in the statement of Profit & Loss.

1.9 Income Taxes

Income tax is accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

Deferred tax in respect of Haridwar Unit availing deduction under section 80IC of Income Tax Act, 1961 in respect of timing differences which reverse during tax holiday period, are not recognized to the extent the income is subject to deduction.

1.10 Earnings per Share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

1.11 Borrowing Costs

Borrowing Costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the assets till the asset is ready for use. Interest on other borrowing is charged to Profit & Loss Account.

1.12 Investments

Current Investments are stated at cost or fair value whichever is lower, determined on individual investment basis.



1.13 Inventories

Inventories other than scrap are valued at cost or net realisable value whichever is lower. Cost of purchases is ascertained on weighted average method.

Scrap is valued at estimated net realisable value.

Cost of Work in Process and Finished Goods include cost of materials and other inputs plus appropriate share of labour and overheads. Excise duty is included in the value of finished goods inventory.

1.14 Impairment of Assets

The Carrying amounts of fixed assets are reviewed at each balance sheet date to ascertain whether there is any indication of impairment in their value caused by any internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, recoverable amount being the greater of the assets' net selling price and value in use.

1.15 Operating Leases

Lease charges paid for operating leases are charged to profit and loss account on a straight-line basis over the lease term. Initial direct expenses at the time of inception of lease are charged to Profit & Loss Account.

1.16 Warranty Claims

Provision is made for estimated liability on account of warranty claims, the cost of replacement of goods sold as per the terms of warranty, based on historical information and corrective actions to reduce the claims.

1.17 Provisions and Contingencies

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but disclosed in the note.

1.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2 NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Note No	Particulars	As at March 31, 2014	As at March 31, 2013
2.1	<u>SHARE CAPITAL</u>		
	<u>Authorised</u>		
	10,00,00,000 (10,00,00,000) Equity Share of Rs.2/- (Rs.2/-) each	200,000,000	200,000,000
	Unclassified Shares	50,000,000	50,000,000
		250,000,000	250,000,000
	<u>Issued, Subscribed and Paid-Up</u>		
	50,000,000 (50,000,000) Equity Shares of Rs.2/- (Rs.2/-) each	100,000,000	100,000,000
		100,000,000	100,000,000

Rights, preferences and restrictions attached to shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.2/- (Previous year Rs.2/-). Each holder of Equity Shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the number of share capital as at March 31, 2014 and March 31, 2013 is set out below;

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning	50,000,000	100,000,000	50,000,000	100,000,000
Number of Shares at the end	50,000,000	100,000,000	50,000,000	100,000,000

Shares in the company held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	%	No. of Shares	%
Thakur Devi Investments Private Limited (Holding Company)	37,403,225	74.81%	37,403,225	74.81%

Note No	Particulars	As at March 31, 2014	As at March 31, 2013
2.2	<u>RESERVE & SURPLUS</u>		
	Capital Reserve		
	Profit on re-issue of forfeited shares	209,150	209,150
	General Reserve		
	Opening Balance	237,214,905	197,725,306
	Add : Transferred from Statement of Profit and Loss	47,657,833	39,489,599
	Closing Balance	284,872,738	237,214,905
	Surplus in Statement of Profit and Loss		
	Opening Balance	1,195,637,965	957,226,578
	Add : Profit for the year	476,578,331	394,895,985
	Total	1,672,216,297	1,352,122,563
	Less :		
	- Dividend @ Rs. 2.50/- per Share (Previous year Rs.2 per Share)	125,000,000	100,000,000
	- Dividend Tax	21,243,750	16,995,000
	- Amount transferred to General Reserve	47,657,833	39,489,599
	Closing Balance	1,478,314,714	1,195,637,965
	Total Balance	1,763,396,601	1,433,062,019



2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Note No	Particulars	As at March 31, 2014	As at March 31, 2013
2.3	<u>LONG TERM BORROWINGS</u>		
	Term Loans from Banks	576,166,600	456,477,783
	- Secured (refer note no. 2.28 D)	<u>576,166,600</u>	<u>456,477,783</u>
2.4	<u>DEFERRED TAXES</u>		
	Deferred Tax Liabilities		
	Accumulated Depreciation	88,949,319	82,488,692
	Deferred Tax Assets		
	Employees Benefits deductible on payment	23,238,298	17,848,600
		<u>65,711,021</u>	<u>64,640,092</u>
2.5	<u>LONG-TERM PROVISIONS</u>		
	Provisions for Employee Benefits		
	- Leave Benefits	24,324,435	17,993,960
	- Gratuity	13,919,938	12,485,213
	Provision for Warranties	3,799,087	2,121,603
		<u>42,043,460</u>	<u>32,600,776</u>
	<u>CURRENT LIABILITIES</u>		
2.6	<u>SHORT-TERM BORROWINGS</u>		
	Loans repayable on demand		
	From Banks	50,984,051	54,934,831
	- Secured	<u>50,984,051</u>	<u>54,934,831</u>
	These loans are secured by a first charge on inventories, receivables and all other current assets of the Company.		
2.7	TRADE PAYABLES	<u>860,674,103</u>	<u>707,242,748</u>
2.8	<u>OTHER CURRENT LIABILITIES</u>		
	1 Current Maturities of Long Term Debts (refer note no. 2.28 D)	193,545,900	144,375,000
	2 Interest Accrued but not due on Borrowings	5,785,205	5,399,095
	3 Unpaid Dividends	6,096,552	5,346,586
	4 Other Payables		
	- Statutory Liabilities	17,685,354	14,362,112
	- Creditors for Purchase of Capital Goods	55,459,387	11,521,585
	- Salary and Other Benefits to Employees	44,258,547	38,762,555
	- Advances from Customer	7,709,400	8,039,291
	- Deposits from Contractors	2,864,172	2,058,648
	- Expenses Payable	25,318,178	18,465,967
		<u>358,722,695</u>	<u>248,330,839</u>

2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Note No	Particulars	As at March 31, 2014	As at March 31, 2013
2.9	SHORT-TERM PROVISIONS		
a	Provisions for Employee Benefits		
-	Leave Benefits	17,521,664	11,729,141
-	Gratuity	8,944,178	6,591,855
b	Other Liabilities		
-	Provision for Warranties	1,871,193	1,060,802
-	Proposed Dividend	125,000,000	100,000,000
-	Provision for Tax on Dividend	21,243,750	16,995,000
	Wealth Tax	266,000	214,000
		174,846,785	136,590,798

FIXED ASSETS *Current Year*

(Amount in Rs.)

PARTICULARS	Gross Block			Depreciation/ Amortisation Block				Net Block		
	As on April 1, 2013	Additions	Deduction	As at March 31, 2014	Opening Balance as on April 1, 2013	For the year period	Deduction	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
2.10 TANGIBLE ASSETS										
Land										
- Freehold Land	162,669,102	-	-	162,669,102	-	-	-	162,669,102	162,669,102	162,669,102
- Leasehold Land	7,365,133	-	-	7,365,133	-	-	-	7,365,133	7,365,133	7,365,133
Building	418,912,289	7,136,616	-	426,048,905	66,777,529	13,553,131	-	80,330,660	345,718,245	352,134,760
Plant and Equipments	1,176,212,398	151,756,808	1,127,621	1,326,841,585	500,622,810	98,421,625	222,451	598,821,984	728,019,601	675,589,588
Furniture and Fixture	45,352,055	619,889	-	45,971,944	14,518,799	1,092,381	-	15,611,180	30,360,764	30,833,256
Vehicles	45,202,888	10,787,226	5,109,157	50,880,957	26,951,538	7,812,794	5,011,887	29,752,445	21,128,512	18,251,350
Office Equipments	13,579,671	2,941,963	704,242	15,817,392	3,980,114	914,680	179,041	4,715,753	11,101,639	9,599,557
Computers	13,561,805	730,937	-	14,292,742	8,736,490	1,281,290	-	10,017,780	4,274,962	4,825,315
	1,882,855,341	173,973,439	6,941,020	2,049,887,760	621,587,280	123,075,901	5,413,379	739,249,802	1,310,637,958	1,261,268,062
2.11 INTANGIBLE ASSETS										
Computer Software	25,221,072	-	-	25,221,072	15,348,285	5,226,184	-	20,574,469	4,646,603	9,872,787
	25,221,072	-	-	25,221,072	15,348,285	5,226,184	-	20,574,469	4,646,603	9,872,787
2.12 CAPITAL WORK IN PROGRESS									416,293,605	56,511,116

B **FIXED ASSETS** *PREVIOUS YEAR*

PARTICULARS	Gross Block			Depreciation/ Amortisation Block				Net Block		
	As on April 1, 2012	Additions	Deduction	As at March 31, 2013	Opening Balance as on April 1, 2012	For the year period	Deduction	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
2.10 TANGIBLE ASSETS										
Land										
- Freehold land	162,669,102	-	-	162,669,102	-	-	-	162,669,102	162,669,102	162,669,102
- Leasehold land	7,365,133	-	-	7,365,133	-	-	-	7,365,133	7,365,133	7,365,133
Building	416,686,116	2,226,173	-	418,912,289	53,459,548	13,317,981	-	66,777,529	52,134,760	363,226,568
Plant and Equipments	1,118,483,793	90,397,925	32,669,320	1,176,212,398	440,495,852	85,775,038	25,648,079	500,622,810	675,589,588	677,987,944
Furniture and Fixture	43,670,881	1,868,007	186,833	45,352,055	10,656,952	4,008,430	146,583	14,518,799	30,833,256	33,013,929
Vehicles	43,805,002	8,474,723	7,076,837	45,202,888	27,941,554	5,497,278	6,487,293	26,951,538	18,251,350	15,863,448
Office Equipments	13,020,041	1,172,804	613,174	13,579,671	3,769,205	778,696	567,787	3,980,114	9,599,557	9,250,836
Computers	14,130,240	737,939	1,306,374	13,561,805	8,768,058	1,265,318	1,296,886	8,736,490	4,825,315	5,362,182
	1,819,830,308	104,877,571	41,852,538	1,882,855,341	545,091,169	110,642,741	34,146,628	621,587,279	1,261,268,062	1,274,739,142
2.11 INTANGIBLE ASSETS										
Computer Software	24,682,250	538,822	-	25,221,072	10,111,731	5,236,554	-	15,348,285	9,872,787	14,570,519
2.12 CAPITAL WORK IN PROGRESS									56,511,116	21,293,509



2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Note No	Particulars	As at March 31, 2014	As at March 31, 2013
2.13	<u>LONG TERM LOANS AND ADVANCES</u>		
	(Unsecured, Considered Good)		
	Capital Advances	60,959,827	50,552,273
	Security Deposits	18,606,986	18,187,896
		79,566,813	68,740,169
2.14	<u>OTHER NON-CURRENT ASSETS</u>		
	MAT Credit entitlement	223,203,617	138,561,527
		223,203,617	138,561,527

2.15	<u>CURRENT INVESTMENTS</u>	As at March 31, 2014		As at March 31, 2013	
		Unit	Amount	Unit	Amount
	<u>INVESTMENT IN MUTUAL FUNDS (UNQUOTED)</u>				
	HDFC High Int Fund - Dynamic Plan	610,105	24,170,846	-	-
	HDFC Liquid Fund Growth	2,095,517	52,940,924	-	-
	HDFC Multiple Yield Fund-Growth	-	-	1,274,800	21,151,864
	HDFC MIP LT Growth Fund	-	-	1,145,052	30,480,029
	HDFC Income Plan Growth Fund	-	-	750,283	20,000,000
	Reliance Liquid Fund Growth Plan	88,669	276,693,919	-	-
	Reliance Monthly Income Growth Plan	-	-	1,174,633	30,000,000
	Reliance Dynamic Bond Fund Growth Plan	-	-	1,288,502	20,000,000
	Reliance Money Manager Fund Institutional Plan	-	-	49,107	49,096,269
	SBI MF SHF Liq Plus Fund	-	-	4,417	4,420
	SBI Dynamic Bond Growth Fund	1,377,619	20,000,000	1,377,619	20,000,000
	SBI Ultra Short Term Debt Fund	-	-	0.126	126
	TFLD Tata Floater Fund Daily Dividend	-	-	208,158	208,899,342
	IDFC Dynamic Bond Fund Growth Plan	-	-	2,897,564	40,000,000
	IDFC SSIF Investment Plan Growth Fund	-	-	716,905	20,000,000
	IDFC Ultra Short Term DDR	-	-	15,006,056	150,248,135
	IDFC Money Manager T P Growth	995,232	20,021,178	-	-
	IDFC Fixed Term Plan	1,622,585	16,225,850	-	-
	IDFC Ultra Short Term Growth Plan	1,298,938	23,183,844	-	-
	IDFC Banking Debt Fund	1,828,102	20,000,000	-	-
			453,236,561		609,880,185
	Less : Provision for diminution in Value of Investments		-		796,991
			453,236,561		609,083,194

2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Note No	Particulars	As at March 31, 2014	As at March 31, 2013
2.16	<u>INVENTORIES</u>		
1	Raw Materials	153,932,088	144,964,808
2	Work in Process	60,537,698	43,981,870
3	Work in Process - Stock in Transit	11,293,905	7,972,818
4	Finished Goods	17,656,761	29,703,568
5	Store and Spares	35,432,307	32,874,908
6	Others (Scrap)	2,575,764	890,916
		<u>281,428,523</u>	<u>260,388,888</u>
2.17	<u>TRADE RECEIVABLES</u>		
	(Unsecured Considered Good)		
	Debts outstanding for a period not exceeding six months from the date they are due for payment	1,036,433,029	720,653,241
		<u>1,036,433,029</u>	<u>720,653,241</u>
2.18	<u>CASH AND CASH EQUIVALENTS</u>		
	<u>BALANCE WITH BANKS IN FIXED DEPOSITS</u>		
-	Held as margin money or security against borrowings	3,510,557	1,425,485
	In Current Accounts	94,750,756	60,726,677
	Dividend Accounts	6,096,552	5,340,786
	Cash in Hand	307,466	267,460
		<u>104,665,331</u>	<u>67,760,408</u>
2.19	<u>SHORT TERM LOANS AND ADVANCES</u>		
	(Unsecured Considered Good)		
	<u>Balance with Government Authorities</u>		
	CENVAT / Service Tax Credit	46,856,096	14,604,285
	Excise duty - current account	2,414,677	2,839,849
	VAT / Sales tax credit	2,655,499	1,240,389
	Income Tax (net of provision)	4,132,731	6,774,610
		56,059,003	25,459,133
	<u>Others</u>		
	Loans and advances to Employees	351,192	616,251
	Advance to Suppliers	9,053,258	2,433,166
	Prepaid Expenses	10,490,632	6,171,095
	Others	6,479,191	6,360,849
		<u>26,374,273</u>	<u>15,581,361</u>
		<u>82,433,276</u>	<u>41,040,494</u>



NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Note	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
2.20	Revenue from Operations		
	Sale of Products	8,813,341,131	7,751,411,848
	Other Operating Revenues	63,861,948	48,289,793
		8,877,203,079	7,799,701,641
	Less: Excise Duty	712,529,277	626,376,715
	Revenue from Operations (Net)	8,164,673,802	7,173,324,926
	Product wise details		
	Mufflers	8,115,100,527	7,017,678,997
	Motorcycle Rims	229,075,834	293,836,414
	Scooter Wheels	322,267,691	279,697,832
	Other Components	146,897,079	160,198,605
		8,813,341,131	7,751,411,848
2.21	Other Income		
	Interest Income		
	- Interest from Fixed Deposit	831,787	965,137
	- Interest from Others	188,204	1,004,459
	Dividend Income		
	- From Current Investments	15,200,866	33,986,972
	- Net gain on sale of investment	10,590,488	-
	- Cash Discount received	4,717,202	5,593,783
	Dimnution in value of Investment written back	796,991	-
	Other Non-Operating Income (Net of expenses directly attributable to such income)		
	- Profit on Sales of Fixed Assets (Net)	428,719	-
	- Liability / Provisions no longer required written back	7,397,178	780,813
	- Prior period items (net)	-	575,396
	- Miscellaneous Income (Refer Note No. 2.28p)	1,887,942	19,630,322
		42,039,377	62,536,882
2.22	Cost of Materials Consumed:		
	Purchases of Raw Materials and Packing Materials	6,194,381,522	5,540,425,779
	Add: Opening Balance of Stock	144,964,808	134,078,438
		6,339,346,330	5,674,504,217
	Less: Closing Balance of Stock	153,932,088	144,964,808
	Consumption of Materials	6,185,414,242	5,529,539,409
	Product wise details		
	CR and SS Strips	1,152,917,523	1,031,758,785
	Nickel	192,721,515	203,797,538
	Catalytic Converter	1,591,409,955	1,522,116,325
	Paint & Chemicals	390,579,906	280,585,102
	Components and BOPs	2,714,522,149	2,297,573,781
	Others	143,263,194	193,707,878
		6,185,414,242	5,529,539,409

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Note Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
2.23 Changes in Inventories of Finished Goods and Work in Progress		
<u>Finished Goods</u>		
At the beginning of the Accounting Period	29,703,568	16,812,371
At the end of the Accounting Period	17,656,761	29,703,568
	<u>12,046,807</u>	<u>(12,891,197)</u>
<u>Work in Progress</u>		
At the beginning of the Accounting Period	43,981,870	43,585,912
At the end of the Accounting Period	60,537,698	43,981,870
	<u>(16,555,828)</u>	<u>(395,958)</u>
Total	<u>(4,509,021)</u>	<u>(13,287,155)</u>
2.24 Employee Benefits Expenses		
Salaries and Wages	338,717,886	270,474,897
<u>Contribution to</u>		
Provident & other Fund	25,598,577	22,008,346
Superannuation Scheme	6,167,537	3,963,163
Gratuity	9,756,256	6,462,049
<u>Other Expenses</u>		
Staff Welfare Expense	18,219,214	17,058,237
	<u>398,459,470</u>	<u>319,966,692</u>
2.25 Financial Costs		
Interest Expense	52,507,253	61,120,726
Other Borrowing Costs	1,046,426	16,879
Applicable net gain/loss on foreign currency transaction and translation	8,360,229	7,560,874
	<u>61,913,908</u>	<u>68,698,479</u>
2.26 Depreciation and Amortization Expense		
Depreciation and Amortization Expense	128,302,085	115,879,295
Less : Capitalised on Account of Tools Manufactured	3,815,644	2,091,727
	<u>124,486,441</u>	<u>113,787,568</u>



NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Note	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
2.27	Other Expenses		
	<u>Manufacturing Expense :</u>		
	<u>Consumption of Stores and Spare Parts</u>		
	Opening Stock	32,874,908	8,326,664
	Add: Purchases	285,349,653	270,725,995
	Total	318,224,561	279,052,659
	Less: Closing Stock	35,432,307	32,874,908
		282,792,254	246,177,751
	Power and Fuel	204,076,986	163,249,250
	Rent	12,861,012	12,861,012
	Repairs to Buildings	6,155,052	2,960,290
	Repairs to Machinery	11,604,572	8,445,684
	Repairs and Maintenance others	6,912,412	6,741,982
	Insurance Premium	7,572,229	6,810,208
	Rates and Taxes excluding Taxes on Income	4,778,560	5,024,233
	Wages to Contractors	153,426,536	114,214,895
	Job Work Charges	43,570,411	52,652,355
	Freight Inward	11,924,810	7,841,763
	Freight and Cartage (Outward)	93,117,634	70,090,275
	Loss on Fixed Assets Sold / Discarded (Net)	-	2,017,516
	Loss on Sale of Investments (Net)		
	- from Current Investments	-	46,655
	Diminuation in Value of Investments	-	796,991
	Miscellaneous Expenses	108,289,411	99,783,625
		94,708,1879	799,714,485

2.28 Additional Informations

- A** Addition to Fixed Assets and Capital work in progress during the year included Rs.1,18,92,521/- (previous year Rs.19,07,935/-) being borrowing cost capitalised in accordance with Accounting standard (As 16) on borrowing cost as specified in the Companies (Accounting Standard) Rules, 2006.
- B** Company has paid excise duty of Rs.23.61 lacs (previous year Rs.23.61 lacs) which is claimed by the company to be refundable and shown under loans and advances. The company has filed an appeal and the matter is pending with the Custom, Excise & Service tax Appellate Tribunal.
- C** The Company as well as various industrial units in Waghodia have disputed their liability to pay octroi duty and hence the Company deposited the amount of Rs. 15.45 lac under protest which is held in a separate bank account in the name of Sarpanch, the Waghodia Gram Panchayat and the Company as the second party under a Court directive. By virtue of a subsequent notification of the State Government of Gujarat, the company, like other industrial units in the notified area of Waghodia, is not required to pay the octroi Duty from 19th July,1997. The company believes it has no liability for octroi duty even for the earlier period. Association for Industrial Units in Waghodia has filed a suit for recovery of amounts paid under protest, which is still pending for final decision. Therefore, the said amount of Rs.15.45 Lac (Previous Year Rs.15.45 lac) is included in Balance Sheet under the head "Loans & Advances" and no provision is made for liability of octroi in this respect. In the absence of clarity regarding rights of respective parties, interest credited by the bank amounting to Rs.15.83 Lac (Previous Year: Rs.14.61 Lac) on the aforesaid amount till 31st March 2014 is not accounted for.

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

D Nature of security and terms of repayment for long term secured borrowings including current maturities

Nature of security	Terms of Repayment
Term loan outstanding Rs.8.10 Crores	Repayable in 20 equal quarterly instalments of Rs.90 Lacs commencing from August, 2011.
Term loan outstanding Rs.3.30 Crores	Repayable in 20 equal quarterly instalments of Rs.27.50 Lacs commencing from June, 2012
Term loan outstanding Rs.4.25 Crores	Repayable in 20 equal quarterly instalments of Rs.25 lacs commencing from September, 2013
Above loans are secured by way of mortgage/charge created on Fixed Assets of the Company's plant at Bawal, District - Rewari, Haryana.	
Term loan outstanding Rs.13.39 Crores secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodara, Gujarat.	Repayable in 20 equal quarterly instalments of Rs.78.75 Lacs commencing from September, 2013
Term loan outstanding Rs.13.84 Crores secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodar, Gujarat.	Repayable in initial two quarterly instalments of Rs. 25 Lacs and remaining 22 quarterly instalment of Rs.66.00 Lacs commencing from December, 2013
Term loan outstanding Rs.6.59 Crores secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Haridwar, Uttarakhand.	Repayable in 16 equal quarterly instalments of Rs.153.125 Lacs commencing from April, 2011
Term loan outstanding Rs.27.50 Crores secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Dharuhera, District - Rewari, Haryana.	Repayable in 24 equal quarterly instalments of Rs.114.58 Lacs commencing from December, 2014

E The Company has amounts due to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2014 as identified to the extent of information available as per following details

	As at March 31, 2014	As at March 31, 2013
The Principal amount and interest due thereon remaining unpaid		
- Principal Amount	19,077,364	17,429,473
- Interest	792,434	661,267
Amount of Interest paid by Company along-with the amounts of payments made beyond the appointed day for the year ending on 31st March,2013	-	-
Amount of interest due and payable for the period of delay in making payment beyond appointed day during the year	792,434	661,267
Amount of further interest remaining due and payable for earlier year	2,739,037	2,077,770

F In respect of an interest-free LEEP loan availed at the time of the setting up a project at Waghodia, Gujarat by the Company, GIIC (A Government of Gujarat undertaking that had disbursed the said LEEP loan on its behalf) had raised a claim of interest amounting to Rs.17 lac payable since 1997. GIIC has claimed that there was a delay in repayment of first 2 installments of the said LEEP loan repaid by the company in earlier years. The Company disputed this. Negotiation in the matter is continuing. Meanwhile, after adding interest @ 24% on the aforesaid disputed amount of interest; GIIC has raised its claim further to Rs. 194 Lac up to 31.12.05 (Previous Year: Rs. 194 Lac). No provision is made in books of accounts for the above interest claim as the Company expects that such a claim of GIIC is not tenable.

G Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits'

i Defined Contribution Plans

Contributions to defined contribution plan are recognised as expenses when contributions become due. Amounts recognised for the year are as under.

	2013-14	2012-13
Employer's contribution to Provident and other Funds	25,598,577	22,008,346
Employer's contribution to Superannuation Fund	6,167,537	3,963,163



NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

ii Defined Benefit Plans

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. Relevent details are as under:

	(Amount in Rs.)	
	2013-14	2012-13
	Gratuity (Funded)	Gratuity (Funded)
I Change in benefit obligation		
Opening benefit obligation	49,189,997	41,372,856
Service cost for the year	6,401,846	5,038,983
Interest cost for the year	3,849,515	3,372,560
Actuarial losses / (gains) on curtailments	2,206,786	392,291
Benefits paid	(2,142,123)	(986,693)
Closing defined benefit obligation	59,506,021	49,189,997
II Fair Value of Plan Assets		
Opening fair value of plan assets	30,112,929	25,892,550
Expected Return on Plan Assets	2,962,449	2,481,946
Contribution by employer	5,969,208	2,865,287
Benefits paid	(2,142,123)	(986,693)
Actuarial (loss) / gain on plan assets	(260,558)	(140,161)
Closing balance of fair value of plan assets	36,641,905	30,112,929
III Actual Return on Plan Assets		
Actual return on plan assets	2,962,449	2,481,946
Expected return on plan assets	3,223,007	2,622,107
Actuarial gain / (loss) on plan assets	(260,558)	(140,161)
IV Amount Recognised in the Balance Sheet		
Present value of defined benefit obligation	59,506,021	49,189,997
Plan assets at the end of the period at fair value	36,641,905	30,112,929
Liability recognised in the balance sheet	22,864,116	19,077,068
V Amount Recognised in Statement of Profit and Loss		
Current service cost	6,401,846	5,038,983
Interest on obligation	3,849,515	3,372,560
Expected return on plan assets	(2,962,449)	(2,481,946)
Net actuarial loss / (gain) recognised in the year	2,467,344	532,452
Total included in 'employee benefit expense'	9,756,256	6,462,049
VI Investment Details (% invested)		
Policy of insurance	100%	100%
VII Acturial Assumptions		
Discount rate current	9.00%	8.00%
Rate of return on plan assets current	9.25%	9.25%
Proportion of employees opting for early retirement	-	-
Annual increase in salary costs	7.50%	7.50%

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Note	Particulars	As at March 31, 2014	As at March 31, 2013
H	The details of provision for warranty claims as under		
	Provision at beginning of the year	3,182,405	-
	Provision made during the year	3,431,490	8,987,966
	Amount utilised during the year	943,615	5,805,561
	Provision at end of the year	5,670,280	3,182,405
I	Details of Contingent Liabilities		
I	Unexpired Bank Guarantee (Net of Margin Money)	6,188,000	5,070,515
II	Unexpired Letter of Credit (Net of Margin Money)	60,100,000	-
III	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	73,514,001	90,800,524
IV	Estimated amount on Account of pending cases under the Labour Laws	9,553,531	9,553,531
V	Income Tax Matters in dispute	8,400,087	4,764,957
VI	Sales Tax Matters in dispute	3,188,704	3,188,704
VII	Excise Matters	5,901,332	5,901,332
J	Payment to the Auditors		
	As Auditors	1,050,000	1,050,000
	For Taxation Matters	250,000	150,000
	For Other Services	10,000	39,500
	Total	1,310,000	1,239,500
K	Value of Imports Calculated on C.I.F basis by the Company during the financial year in respect of		
	Raw Materials	44,502,140	-
	Stores and Spare Parts	274,804	-
	Capital Goods	10,405,096	19,544,470
	Total	55,182,040	19,544,470
L	Expenditure in Foreign Currency during the Financial Year on Account of		
	Professional and Consultation Fees	1,318,061	1,329,849
	Interest	4,723,423	13,365,149
	Foreign Travelling	634,774	1,197,862
	Business Promotion	402,856	1,721,005
	Total	7,079,114	17,613,865
M	Break up of Consumption		
I	Raw Materials;		
	Total Consumption		
	Imported		
	Value	44,502,140	-
	% of total	1%	0%
	Indigenous		
	Value	6,140,912,102	5,529,539,409
	% of total	99%	100%
II	Stores and Spare Parts		
	Imported		
	Value	274,804	-
	% of total	0%	0%
	Indigenous		
	Value	282,517,450	246,177,751
	% of total	100%	100%

**NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

Note	Particulars	As at March 31, 2014	As at March 31, 2013
N	Earning in Foreign Exchange		
I	Export of Goods on FOB basis;	83,309,617	206,755
	Total	83,309,617	206,755

O The Company has taken premises under operating lease. These lease agreements are normally for a period of less than one year. These are generally not "non-cancellable" and are renewable by mutually agreed terms. Rental expenses towards cancellable operating leases charged to profit and loss account amounts to Rs.1,28,61,012/- (previous year Rs.1,28,61,012/-)

P Other Income includes Rs.Nil (Previous year Rs. 1,83,00,000 represents amount received by the company on maturity of Key Man Insurance policy).

Q Segment Reporting

As the Company's business activity falls within a single primary business segment viz. Automobile Parts and single geographical segment, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

R Related Party Disclosure**a) Key Management Personnel**

Mr. Sudhir Munjal	Managing Director
Mrs. Anju Munjal	Whole Time Director
Mr. Anuj Munjal	Whole Time Director

b) Enterprise which has ability to control the Company

Thakurdevi Investments Pvt. Ltd.	Holding Company
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c) Transactions with the related parties during the year :

Nature of Transactions	For the year ended March 31, 2014	For the year ended March 31, 2013
a) Key Managerial Personnel		
Remuneration	40,262,263	32,047,716
Commission	14,713,321	14,668,747
Balance Outstanding at the end of the year		
- Payables (Other than Commission)	2,700,000	2,400,000
b) Enterprises which are able to exercise control over the Company		
Dividend Paid	74,806,450	74,806,450

T Figurs of the previous year have been regrouped and / or recast, wherever considered necessary to conform to to the grouping of the current year.

As per our report attached
For Vakil Jain & Hindocha
Chartered Accountants
Firm Registration No. 112894W

S. K. Sharma
GM (Finance)

Surendra Modiani
Partner
Membership No. 47966

Rakesh Johari
Company Secretary

Waghodia
Date : 19th May, 2014

For and on behalf of the Board

Vikram Shah	Director
Naresh Chawla	Director
Mahendra Sanghvi	Director
Ramkisan Devidayal	Director
Sudesh Duggal	Director
Jal Ratanshaw Patel	Director
Sudhir Munjal	Managing Director
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia
Date : 19th May, 2014

CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, continued compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders. The Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. Your Company strongly believes that sound and unambiguous system of Corporate Governance practices go a long way in enhancing shareholder value and retaining investor trust and preserving the interest of all stakeholders in a context where ethics and values are under siege.

A Report on compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India and incorporated in the Listing Agreement is given below:

1. Board of Directors

The composition of the Board of your Company is in conformity with Clause 49 of the Listing Agreement, as amended from time to time. The Non-Executive Chairman of the Company is a Promoter and the numbers of Non-Executive independent Directors are 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 to enhance the stakeholders' value and interest.

Managing Director and Whole Time Directors are the Executive Directors looking after the day-to-day management of your Company. The Chairman of the Company is a Non Executive Promoter Director and accordingly the number of independent Directors more than one half of the total number of directors. Managing Director and two Whole Time Directors belong to the Company's promoter group. The remaining Non-Executive Directors comprising of six independent Directors possess requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled to under the Companies Act, 1956 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 Subsidiaries and Associates 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 ten Directors as on 31st March 2014. 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 Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the Companies.

b. Board Procedure

A detailed Agenda folder is sent to each Director in advance of the Board and to the Director concerned in advance of the committee meetings. To enable the Board to discharge its responsibilities effectively, Managing Director apprises the Board at every Meeting of the overall performance of the Company, followed by presentations as and when necessary. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company as well as steps taken by your Company to rectify instance of non-compliances, review of major legal issues, adoption of quarterly/half years/ annual results, significant labour issues, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and write-offs/impairment etc., Minutes of Meetings of the Audit and other Committees of the Board and information on recruitment 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

During the year four Board meetings were held on May 14, 2013, August 10, 2013, October 28, 2013 & January 27, 2014 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 during the year 2013-14		Attendance at last AGM held on August	No. of Outside Directorship held	No. of Committee Membership held*	Number of Committee Chairmanship held*
	Held	Attended	10,2013	(excluding Private Companies, Foreign Companies, Section 25 Companies)		
Promoter						
Executive Directors						
Mr. Sudhir Munjal	4	4	Yes	None	None	None
Mrs. Anju Munjal	4	3	Yes	None	None	None
Mr. Anuj Munjal	4	4	Yes	None	None	None
Promoter Non-Executive Directors						
Mr. Satyanand Munjal	4	None	No	2	None	None
Non-Executive and Independent Directors						
Mr. Vikram Shah	4	4	Yes	None	1	1
Mr. Naresh Chawla	4	2	No	None	1	1
Mr. Mahendra Sanghvi	4	3	No	2	4	1
Mr. Ramkisan Devidayal	4	3	Yes	4	4	3
Mr. Sudesh Kumar Duggal	4	3	Yes	1	None	None
Mr. Jal Ratanshaw Patel	4	3	Yes	5	3	4

* Includes only Audit Committee and Shareholders Grievance Committee.

d. Appointment / Re-appointment of Directors

According to the Articles of Association, one-third of the Directors retires by rotation and, if eligible, offer themselves for re-election at the Annual General Meeting of shareholders. Accordingly, Mr. Vikram Shah, Mr. Ramkisan Devidayal and Mr. Jal Ratanshaw Patel shall retire by rotation at this Annual General Meeting. Mr. Vikram Shah, Mr. Ramkisan Devidayal and Mr. Jal Ratanshaw Patel of them, being eligible, offer themselves for reappointment.

A person satisfying the criteria of independence as specified in Section 149 and 152 of the Companies Act, 2013 may be appointed as an independent director for holding term upto 5 (five) consecutive years on the Board of a Company and shall not be liable to retire by rotation.

In the opinion of the Board, all existing Non- Executive and Independent Directors of the Company viz. Mr. Vikram Shah, Mr. Naresh Chawla, Mr. Mahendra Sanghvi, Mr. Ramkisan Devidayal, Mr. Sudesh Kumar Duggal and Mr. Jal Ratanshaw Patel fulfills the conditions for their appointment as specified in the act and the listing agreement hence, the Board recommends appointment of aforesaid existing Directors as Independent Directors in terms of Section 149 and 152 of Companies Act, 2013. **(Read with General circular No. 13/2014 dtd 09th June, 2014 issued by Ministry of Corporate Affairs.)**

The detailed resumes of all these Directors are provided in the **Notice to the Annual General Meeting**.

e. 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 31st March, 2014.

f. CEO/CFO Certification

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, Managing Director and the GM (Finance) of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2014 in its Board Meeting held on 19th May, 2014.

2. Remuneration to Directors

a. Remuneration Policy

While deciding the remuneration of Executive Directors, Remuneration/ Compensation Committee ("Committee") considers the performance of your Company, the current trends in the industry, the qualification of the appointee(s), their experience, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. Staying abreast with such information is used to review remuneration policies.

b. Remuneration paid/payable to Executive Directors and Non- Executive Directors for the year ended 31st March, 2014

Following is the remuneration paid/payable to the Executive Directors and Non Executive Directors during the year ended March 31, 2014.

(Amount in Rs.)

Name of Directors	Fixed salary	Variable salary	Benefits, Perquisites and allowances	Commission	Sitting Fee & allowance	Total Compensation	Notice period (in days)
Mr. Sudhir Munjal	72,00,000	-	93,90,380	73,56,661	-	2,39,47,041	180
Ms. Anju Munjal	60,00,000	-	67,85,114	44,13,996	-	1,71,99,110	180
Mr. Anuj Munjal	48,00,000	-	60,86,769	29,42,664	-	1,38,29,433	180
Mr. Satyanand Munjal	-	-	-	-	-	-	-
Mr. Vikram Shah	-	-	-	-	1,98,000	1,98,000	-
Mr. Naresh Chawla	-	-	-	-	80,000	80,000	-
Mr. Mahendra Sanghvi	-	-	-	-	1,30,000	1,30,000	-
Mr. Ramkisan Devidayal	-	-	-	-	1,20,000	1,20,000	-
Mr. Sudesh Kumar Duggal	-	-	-	-	60,000	60,000	-
Mr. Jal Ratanshaw Patel	-	-	-	-	60,000	60,000	-

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 provisions of the clause 49 of the Listing Agreement entered with the Stock Exchanges read with section 292A of Companies Act, 1956.

This Committee comprises solely of Independent Directors viz. Mr. Vikram Shah, Mr. Naresh Chawla, Mr. Mahendra Sanghvi and Mr. Ramkisan Devidayal. All the Members of the Committee possess strong accounting and financial management knowledge.

The Company's Audit Committee functions under the Chairmanship of Mr. Vikram Shah. Four Audit Committee meetings were held on May 14, 2013, August 10, 2013, October 28, 2013 & January 27, 2014 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given below

Name of Committee Member	Position held	No. of Meetings during the year 2013-14 Held	Attended
Mr. Vikram Shah	Chairman	4	4
Mr. Naresh Chawla	Member	4	2
Mr. Mahendra Sanghvi	Member	4	3
Mr. Ramkisan Devidayal	Member	4	3



Mr. Vikram Shah, the Chairman of the Committee is a Chartered Accountant. The terms of reference of this committee are as per Section 292A of the Companies Act, 1956 ('The Old Act') as well as Clause 49 of the listing Agreement. 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. Remuneration/Compensation Committee

The role of the Remuneration/Compensation Committee is to review market practices and to decide on remuneration packages applicable to the Managing Director & other Executive Directors of the Company.

One Remuneration Committee meeting was held on May 14, 2013 during the F.Y. 2013-14. The attendance record of the Remuneration Committee is given below

Name of Committee Member	Position held	No. of Meetings during the year 2013-14	
		Held	Attended
Mr. Mahendra Sanghvi	Chairman	1	1
Mr. Satyanand Munjal	Member	1	-
Mr. Naresh Chawla	Member	1	-
Mr. Vikram Shah	Member	1	1

Remuneration Committee is to discharge the Board's responsibilities relating to compensation of the Company's Executive Directors. The Committee has over all responsibility for approving and evaluating the Executive Director's compensation plans.

Remuneration Committee reviews the compensation structure for the Executive Directors and recommend to the Board for revision, if any, in remuneration of Executive Directors from time to time based on certain performance parameters, growth in business as well as profitability and in line with the practices prevailing in the industry.

The annual compensation of the Executive Directors is approved by the 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 Chawla who holds 250 shares & Mrs. Anju Munjal holds 311 shares respectively as on March 31, 2014.

c. Shareholders/Investor Grievance Committee

The Shareholders / Investors Grievance Committee functions under the Chairmanship of Mr. Naresh Chawla. Four Investor Grievance Committee meetings were held during the year on May 14, 2013, August 10, 2013, October 28, 2013 & January 27, 2014. The attendance record of members of the Shareholder Grievance Committee is given below:

Name of Committee Member	Position held	No. of Meetings during the year 2013-14	
		Held	Attended
Mr. Naresh Chawla	Chairman	4	2
Mr. Vikram Shah	Member	4	4
Mr. Mahendra Sanghvi	Member	4	3
Mr. Ramkisan Devidayal	Member	4	3

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 dividend declared etc. With a view to expediting the process of share transfers, necessary authority has been delegated to approve the transfers of shares.

COMPLAINTS / REQUESTS RECEIVED AND REDRESSED DURING 2013-14

Nature of Complaint / Query	Received	Cleared	Pending
1. Inquiry pertaining to non receipt of shares sent for transfer	6	6	-
2. Non receipt of Dividend	55	55	-
3. Dematerialization of shares/ Transmission of shares/ Name deletion	20	20	-
4. Letters received from SEBI / Stock Exchanges / other statutory bodies	3	3	-
5. Loss of shares / Issue of duplicate certificates	8	8	-
6. Request for nominations	-	-	-
7. Exchange New Certificate	3	3	-
8. Miscellaneous queries	95	95	-

d. Share Transfer Committee

The 'Share Transfer Committee' oversees the functioning of the secretarial department to render effective and satisfactory services to the investors. The meetings of Share Transfer Committee are held every fortnight. During the year, the Committee met 14 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. Satyanand Munjal	Member
Mr. Sudhir 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 Committee

The Companies Act, 2013, mandates incurring of Corporate Social Responsibility (CSR) expenditures, by a certain class of Companies. MCA, Government of India has listed following guiding principles concerning CSR, which helps one to understand the intention of the legislature as regard to CSR Activity:

- CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies;
- CSR is way of conducting business, by which corporate entities visibly contribute to the social good;
- CSR should be used to integrate economic, environmental and social objectives with the company's operations and growth; and
- CSR projects/ programmes of a company may also focus on integrating business models of a Company with social and environmental priorities and processes in order to create share value

These legislated guidelines and rules framed there under would be applicable from FY 14-15. Your company has formed recently a separate committee of directors at Board level in its meeting held on May 19, 2014 to directly oversee the CSR related initiatives in accordance with the above guidelines and rules under Companies Act, 2013. The Corporate Social Responsibility Committee comprises Mr. Vikram Shah as the Chairman and Mr. Naresh Chawla, Mr. Sudhir Kumar Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal as members of the Committee.

5. Disclosure

a. Disclosure of transactions with Related Parties

The Company follows the following policy in regard to disclosure of the related party transactions to the Audit Committee:



- a) A statement in the summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.
- b) There are no material individual transaction with related parties, which are not in the normal course of business and material individual transaction with related parties or others which are not on arm's length basis.

During the financial year 2013-14, there were no materially significant transactions entered into between the Company and its Promoter, Directors or the Management, Subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.

b. Accounting Treatment in preparation of Financial Statements

The guidelines/ Accounting Standards laid down by the Institute of Chartered Accountant of India (ICAI) and notified by the Companies (Accounting Standards) Rule, 2006 have been followed in preparation of its financial statements of the Company.

c. Code for Prevention of Insider Trading Practices

The Company has instituted 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, 1992, 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 shares of the Company and cautioning them of the consequences of non-compliances.

d. Share holder Information

1. Annual General Meeting

Date	August 08, 2014
Day	Friday
Time	3.30 PM
Venue	Registered Office of the Company: 187, GIDC Industrial Estate, Waghodia – 391760, Dist. Vadodara

2. Dates of Book Closure/Record Date

August 04, 2014 to August 08, 2014 (both days inclusive)

3. Date of Dividend Payment

On or after August 08, 2014, but within the statutory time limit of 30 days, subject to shareholders' approval.

4. Financial Year of the Company

Financial reporting for the quarter ending	
Jun 30, 2014	On or before Aug 14, 2014
Sep 30, 2014	On or before Nov 14, 2014
Dec 31, 2014	On or before Feb 14, 2015
Mar 31, 2015	On or before May 30, 2015

5. Registered Office

187, GIDC Industrial Estate, Waghodia 391 760. Dist: Vadodara, Gujarat. India
Tel: +91 2668 262421-26, Fax: +91 2668 262427 Email: cs@munjalauto.com Website: www.munjalauto.com

6. Corporate Office

301, 3rd Floor, Galleria Tower, DLF Phase IV, Gurgaon- 122 002, Tel : (0124) 4057891/4057892

7. Listing of Equity Shares on Stock Exchange

Listing Fees: Listing fees for the year 2014-15 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
Bombay Stock Exchange Limited (BSE)	25 th floor, Sir PJ Towers, Dalal Street, Mumbai – 400023.
National Stock Exchange of India Limited (NSE)	'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai – 400051

8. Stock Code

The Bombay Stock Exchange Limited (BSE)	520059
National Stock Exchange of India Limited (NSE)	MUNJALAU
International Securities Identification Number (ISIN) for NSDL & CDSL	INE 672B01032

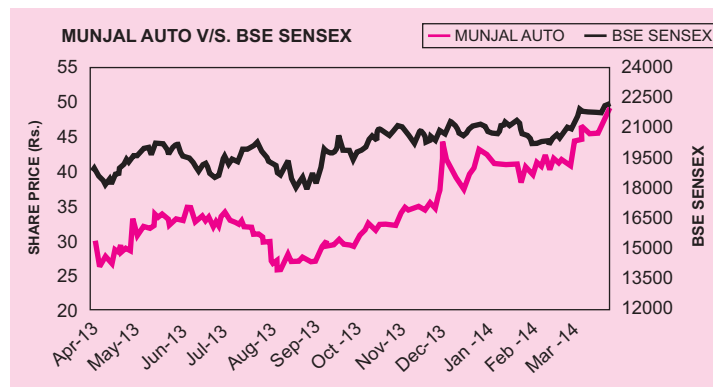
9. Stock Performance

Monthly high and low stock quotations during the financial year 2013-14 on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

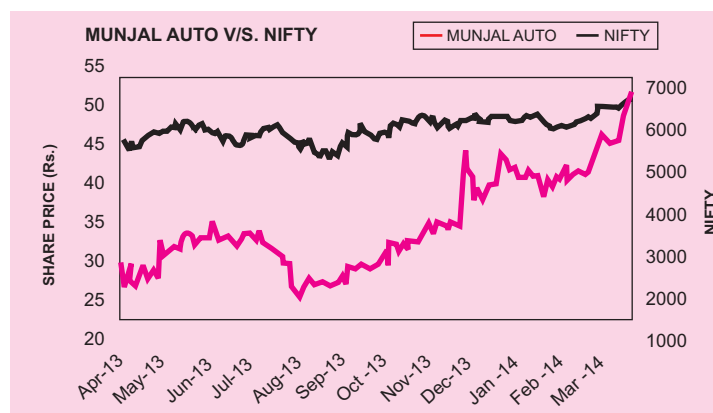
SHARE PRICE DATA (NSE & BSE)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April 2013	33.60	24.30	3,84,907	33.80	24.50	7,35,845
May 2013	34.50	31.00	1,46,795	34.50	31.00	3,75,052
June 2013	34.95	31.70	71,302	35.00	31.70	2,12,440
July 2013	33.95	29.10	1,78,535	33.90	29.40	2,44,997
August 2013	28.80	25.50	2,03,351	29.30	24.60	2,47,110
September 2013	30.95	26.90	77,516	34.60	26.60	1,45,127
October 2013	33.45	30.00	73,345	37.40	28.85	2,40,296
November 2013	37.40	32.35	1,21,174	37.30	31.60	2,45,318
December 2013	46.45	37.00	11,34,046	46.35	36.05	23,32,323
January 2014	42.90	37.25	1,03,650	42.95	37.6	2,90,495
February 2014	43.10	37.25	2,17,477	43.00	37.6	5,21,304
March 2014	52.15	42.30	4,73,317	52.00	42.00	7,76,468

COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX



COMPANY'S SHARE PRICE MOVEMENT VIS A VIS NIFTY



10. Registrar and Transfer Agent

MCS Share Transfer Agent Limited

Contact Person: Mr. S. M. Gandhi

1st floor, Neelam Apartment, 88, Sampatrao Colony, B/h Standard Chartered Bank, Alkapuri, Vadodara – 390 007 (Gujarat)

Tel.: +91 265 2350490 / 2314757, Fax: +91 265 2341639 E-mail: mcsttdbaroda@yahoo.com; mcsvadodara@rediffmail.com

11. Share Transfer System

The Share Transfer Committee meets every fortnight to consider the requests for shares sent for physical transfer / transmission etc. The transfer / transmission of shares are generally effected within 15 days of receipt of the requests, if documents are clear in all respects. Shares under objection are returned generally within a week's time.

The total number of shares transferred/transmitted in physical form during the year 2013-14 was 16,150 shares.

12. Distribution of Shareholding as on 31st March, 2014

Distribution of Shareholding by number of shares held and Shareholding Pattern in percentage (pursuant to Clause 35 of the Listing Agreement) as on March 31, 2014 are given below:

No. of Equity Shares	No. of Shareholders	% to total accounts	No. of Shares	% to capital
Up to 500	7,082	69.79	17,27,800	3.46
501 – 1000	1,066	10.50	8,99,261	1.80
1001 – 2000	923	9.10	13,44,835	2.69
2001 – 3000	473	4.66	11,90,027	2.38
3001 – 4000	111	1.09	3,98,237	0.80
4001 – 5000	147	1.45	7,06,938	1.41
5001 – 10000	191	1.88	14,34,434	2.87
10001 – 50000	133	1.31	27,55,659	5.51
50001 – 100000	12	0.12	9,11,178	1.82
100001 & above	10	0.10	3,86,31,631	77.26
Total	10,148	100.00	5,00,00,000	100.00

Shareholding Pattern as on 31st March, 2014

Category	Holders (No.)	No. of Shares held	Percentage of holding
PROMOTER HOLDING			
Indian promoters	1	3,74,03,225	74.81
Total of promoter holding	1	3,74,03,225	74.81
NON PROMOTER HOLDING			
Institutional investors			
- Mutual funds	4	10,500	0.02
- Banks, financial institutions, insurance companies	7	25,705	0.05
- Foreign institutional investors	1	84,900	0.17
Others			
- Private Corporate bodies	386	16,11,554	3.22
- Indian public	9,606	1,06,35,463	21.27
- NRIs / OCBs	143	2,28,65,300	0.46
- Co-op. Banks, Co-op. Societies, Trust	0	0	0.00
- Shares in transit	0	0	0.00
Total of non promoter holding	10,147	1,25,96,775	25.19
Grand total	10,148	5,00,00,000	100.00

13. Dematerialization of Shares

Equity shares of the Company, which are under compulsory dematerialisation list, are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2014, a total of 4,85,32,055 equity shares of the Company, forming 97.06% of the total paid up equity share capital, stands dematerialised. All requests for dematerialisation of shares are processed within the stipulated time.

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

Not applicable

15. 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 262421-26 Fax: +91 2668 262427	Plot No.37, Sector 5 Phase II, Growth Centre Bawal – 123 501 Dist. Rewari, State : Haryana Tel: (01284) 264434-36	Plot No.11, Industrial Park -2 Village :Salempur, Mehdood Haridwar – 249 402 Dist. Haridwar, Uttarakhand Tel:(01334)235530/645256-57	Plot No.32A, Industrial Area, Phase II, Dharuhera, Dist. Haryana-122106 Tel:(01274)243010/11/ 12/13/14

16. Address for Correspondence

For queries relating to

Shares and Dividend

Mr. Rakesh Johari
Company Secretary
MunjalAuto Industries Limited,
187, GIDC Industrial Estate,
Waghodia 391 760. Dist. Vadodara (Gujarat)
Tel: +91 2668 262421-26
Fax: +91 2668 262427
E-mail: cs@munjalauto.com

Financial Statements

Mr. S.K. Sharma
General Manager (Finance)
MunjalAuto Industries Limited
187, GIDC Industrial Estate
Waghodia 391 760. Dist. Vadodara (Gujarat)
Tel: +91 2668 262421-26
Fax: +91 2668 262427
E-mail: sksharma@munjalauto.com

6. Other Disclosures

a. Details of Annual General Meetings and Special Resolutions passed

Financial year (ended)	Date	Time	Venue	Special Resolution passed
Mar 31, 2011	September 24, 2011	3.00 p.m.	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat. India	No Special resolution was passed
Mar 31, 2012	September 22, 2012	3.00 p.m.	- do -	Special resolution was passed for revision of remuneration payable to Mr. Sudhir Munjal, Managing Director, Mrs. Anju Munjal and Mr. Anuj Munjal, Whole Time Directors of the Company.
Mar 31, 2013	August 10, 2013	3.30 p.m.	- do -	Special resolution was passed for revision of remuneration payable to Mr. Sudhir Munjal, Managing Director, Mrs. Anju Munjal and Mr. Anuj Munjal, Whole Time Directors of the Company. Special resolution was passed for reappointment of Shri Sudhir Munjal, MD for further period of 5 years w.e.f. 29.10.2013.

During the financial year March 31, 2014, no resolution has been passed through Postal Ballot.



b. Details of non compliance etc.

There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the stock exchanges or SEBI or any other authorities on any matter related to capital market during the last three years.

c. Means of Communication

The Company has regularly sent, both by post as well as by fax, E Mail (*within 15 minutes of closure of the Board Meeting*) the Annual Audited as well as quarterly un-audited results to both the Stock Exchanges, BSE & NSE, after approved by the Board of Directors.

Quarterly, half-yearly and annual results are published in prominent daily newspaper such as the Economic Times. The Company also in forms 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.munjlaauto.com contains information on the Company and its performance. Presentations to analysis, as and when made, are immediately put on the website for the benefit of the shareholders and the public at large.

d. Compliance with Mandatory requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49 of Listing Agreement.

e. Compliance with Non-mandatory requirements

The Company has not adopted the non-mandatory requirements as specified in Annexure - 3 of Clause 49 of the Listing Agreement except Clause (b) relating to Remuneration Committee.

The Company's financial statements are free from any qualifications by the Auditors.

f. Whistle Blower Policy :

The Company has not adopted any separate "Whistle Blower" Policy. However under the provision of Fraud Prevention Policy adopted by the Company, a whistler Blower Policy is in place for reporting of fraud or suspected fraud involving employees of the Company as well as representatives of vendors, suppliers, contractors, consultants, service providers or any other party doing the business with Munjal Auto Industries Limited. All reports of fraud or suspected fraud are investigated with utmost speed.

Your Company is in substantial compliance with the guidelines and it will always be the Company's endeavor to attain the best practices in Corporate Governance.

CEO & CFO CERTIFICATE

We hereby certify to the Board that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March, 2014, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee:
 - (i) Significant changes in Internal Control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

Date : May 19, 2014
Place : Waghodia

S K Sharma
GM (Finance)

Sudhir Munjal
Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF MUNJAL AUTO INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Munjal Auto Industries Limited for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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.

For VAKIL JAIN & HINDOCHA
Chartered Accountants
Firm Registration No.112894W

Sd/-

SURENDRA MODIANI
PARTNER
Membership No.047966

Place : Vadodara
Date : May 19, 2014



Registered Office: 187, GIDC Industrial Estate,
Waghodia 391 760,
Dist. Vadodara, (Gujarat)
Tel. Nos. (+91 02668) 262421-26
Fax No. (+91 02668) 262427