

NOTICE

Notice is hereby given that the 28th Annual General Meeting (AGM) of the Members of MUNJAL AUTO INDUSTRIES LIMITED will be held on Saturday, the 10th August, 2013, at 3.30 p.m. at the Registered Office of the Company at 187, GIDC Industrial Estate, Waghodia – 391 760, Dist: Vadodara, to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the profit & loss account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend of Rs.2/- per equity share on 5,00,00,000 equity shares of Rs.2/- each for the financial year 2012-13.
3. To appoint Director in place of Mr. Satyanand Munjal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Mr. Mahendra Sanghvi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Director in place of Mr. Naresh Chawla, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Vakil, Jain & Hindocha, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION**, the following:
"RESOLVED THAT in modification of the Resolution No.2 passed by members at the General Meeting held on 31st December,2008 by Postal Ballot for the reappointment of Mr. Sudhir Munjal as Managing Director of the Company and in accordance with the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ('Act') read with Schedule XIII of the Act, the Company hereby approves the revision in the basic salary and allowances payable to Mr. Sudhir Munjal, Managing Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with effect from April 1, 2013 for residual tenure of his contract as set out in the Explanatory Statement annexed to the Notice convening this meeting;
RESOLVED FURTHER THAT the Board, be and is, hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."
8. To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION**, the following:
"RESOLVED THAT in modification of Resolution No. 10 passed at the Annual General Meeting held on 29th August,2009 reappointment of Mrs. Anju Munjal as Whole Time Director of the Company and in accordance with the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ('Act') read with Schedule XIII of the Act, the Company hereby approves the revision in remuneration structure payable to Mrs. Anju Munjal, Whole Time Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of her appointment) with effect from April 1, 2013 for the residual tenure of her contract as set out in the Explanatory Statement annexed to the Notice convening this meeting;
RESOLVED FURTHER THAT the Board, be and is, hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."
9. To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION**, the following:
"RESOLVED THAT in modification of Resolution No. 9 passed at the Annual General Meeting held on 25th September,2010 for the appointment of Mr. Anuj Munjal as Whole Time Director of the Company and in accordance with the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ('Act') read with Schedule XIII of the Act, the Company hereby approves the revision in the basic salary and allowances payable to Mr. Anuj Munjal, Whole Time Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with effect from April 1, 2013 for the residual of the tenure of his contracts as set out in the Explanatory Statement annexed to the Notice convening this meeting;
RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."
10. To consider and, if thought fit, to pass with or without modification(s), as a **SPECIAL RESOLUTION**, the following:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government, if necessary, Shri Sudhir Munjal, be and is, hereby re-appointed as Managing Director of the Company for a period of



five years w.e.f. October 29,2013 on the terms and conditions as set out in the Draft Agreement including remuneration as approved by the Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is, hereby authorized to do all such acts, deeds and things necessary and expedient for the purpose including to grant increments and also alter, vary and modify the terms and conditions from time to time, within statutory limits under the Companies Act, 1956".

11. To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION**, the following:

"RESOLVED THAT in supersession of the Resolution passed by the Company in the 20th Annual General Meeting held on September 28, 2005 in relation to exercise of borrowing power, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to borrow such sum or sums of money in any manner from time to time as the Board may think fit, notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's banker in the ordinary course of business) may exceed the aggregate of the paid up capital and its free reserve, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors for the Company and outstanding at any time shall not exceed the sum of Rs.2,00,00,00,000/- (Rupees Two Hundred Crore only)"

Place : Waghodia
Date : May 14,2013

Registered Office:
187, GIDC Industrial Estate,
Waghodia – 391 760
Dist.: Vadodara (Gujarat)

By Order of the Board of Directors
For Munjal Auto Industries Ltd.

Sd/-
Rakesh Johari
Company Secretary

NOTES:

1. **An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.**
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the proxy must be deposited at the Registered Office of the Company, at 187, GIDC Industrial Estate, Waghodia-391 760, Dist: Vadodara not less than 48 hours before the commencement of the meeting.
4. Members / proxies should bring duly filled attendance slips sent herewith to attend the meeting.
5. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
6. The Register of Members and Share Transfer Books will remain closed from August 05,2013 to August 10, 2013 (both days inclusive).
7. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if approved, at the meeting, will be payable on or after August 10, 2013 to those members whose names appear on the register of members on August 02, 2013.
8. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participants.
9. Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agent, M/s. MCS Limited, 1st Floor, Neelam Apartments, 88, Sampatrao Colony, Vadodara 390 007, Gujarat, India, Tel: +91 (265) 2350490/2314757 Fax: +91 (265) 2341639. Email: mcsltdbaroda@yahoo.com, mcsvadodara@rediffmail.com.
10. Members, who desire to seek any information pertaining to Annual accounts and operations of the Company, are requested to address their questions / queries to the Secretary of the Company so as to reach at least seven days before the date of the Annual General Meeting to enable the Company to make the information sought available to the best extent possible.
11. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205 A of the Companies Act, 1956, be transferred to the 'Investor Education and Protection Fund'. Members are encouraged to utilize the electronic clearing system (ECS) for receiving dividends.

12. Dividend for the financial year ended 31st March, 2006, which remains unpaid or unclaimed, will be due for transfer to the 'Investor Education and Protection Fund' of the Central Government ('IEPF') this year, pursuant to Section 205A of the Companies Act, 1956. Dividend declared for the financial year 2005-06 is in the process of transfer to IEPF.

Members may please note that once the unclaimed dividend is transferred to the Investor Education and Protection Fund of the Central Government, no claim shall lie in respect thereof.

13. Information in respect of unclaimed dividend pertaining to the subsequent financial years when due for transfer to the said Fund is given below:

Financial Year ended	Date of Declaration of Dividend	Last Date upto which claim can be lodged for unpaid Dividend
31.03.2006	23.09.2006	29.09.2013
31.03.2007	22.09.2007	28.09.2014
31.03.2008	26.09.2008	02.10.2015
31.03.2009	29.08.2009	04.09.2016
31.03.2010	25.09.2010	01.10.2017
31.03.2011	24.09.2011	30.09.2018
31.03.2012	22.09.2012	28.09.2019

Explanatory statement under Section 173 (2) of the Companies Act, 1956.

Item 7,8 and 9

Mr. Sudhir Munjal was reappointed as a Managing Director w.e.f October 30 2008 and Mrs. Anju Munjal as a Whole time Director w.e.f. September 29, 2009 for the period of five years. Mr. Anuj Munjal was appointed as a Whole Time Director w.e.f. June 01, 2010 for five years. Considering their continuing valuable contributions and overall trend of remuneration of full time working directors in the large corporate in India, the Board of Directors at its meeting held on May 14, 2013, have, pursuant to the recommendation of the Remuneration Committee, approved an upward revision/variation in the terms and conditions of remuneration to Mr. Sudhir Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal, Executive Directors of the company w.e.f. April 1, 2013 as under:

- Mr. Sudhir Munjal: Increase in basic salary from Rs. 5,00,000 p.m. to Rs.6,00,000 p.m. and consequent increase in allowances from Rs. 5,00,000 p.m. to Rs.6,00,000 p.m.
- Mrs. Anju Munjal:
 - Increase in basic salary from Rs. 4,00,000 p.m. to Rs. 5,00,000 p.m. and consequent increase in allowances from Rs. 4,00,000 p.m. to Rs.5,00,000 p.m.
 - Rent free accommodation instead of HRA w.e.f. 01.04.2013 for her residual tenure ending on 29th September, 2014.
- Mr. Anuj Munjal: Increase in basic salary from Rs. 3,00,000 p.m. to Rs. 4,00,000 p.m. and consequent increase in allowances from Rs. 3,00,000 p.m. to Rs. 4,00,000 p.m.

All other terms and conditions of their appointments shall remain the same.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Sudhir Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites and allowances as specified above.

The above statement may be treated as an abstract of the terms of variation in contracts for appointment of Managing Director and Whole Time Directors and Memorandum of Interest as required under Section 302 of the Companies Act, 1956.

Your Directors recommend and seek your approval to the resolution as appearing in item nos. 7, 8 & 9 of the accompanying notice by way of Special Resolution.

Except, Mr. Sudhir Munjal, Mrs. Anju Munjal, Mr. Anuj Munjal and their relative Mr. Satyanand Munjal, no other Director shall be deemed to be concerned or interested in the resolution at Item No. 7,8 & 9 of the Notice. Additional information as required under Schedule XIII to the Companies Act, 1956 is set out herein below:



Additional information required as per Schedule XIII to the Companies Act, 1956, relating to Item no. 7,8 & 9 of the Notice of Annual General Meeting.

I. General information:

- (i) The Company is engaged in the manufacturing of Auto Component parts for two wheelers and four wheelers.
- (ii) The Company's plants for manufacturing the Auto Component parts for two wheelers and four wheelers are fully operational.
- (iii) Financial performance based on given indicators:

Particulars	Financial year (Rs.in Crores)	
	2012-13	2011-12
Effective Capital	138.04	125.11
Total Income	779.97	732.18
Profit after Tax	39.49	44.32

- (iv) Export performance and net foreign exchange earnings: Rs.2.06 Lacs.
- (v) Foreign investments or collaborators, if any: Nil

II. Information about the Appointee Directors:

- (i) Background details of the Managerial Personnel:
 - (a) Mr. Sudhir Munjal is an Arts Graduate and having more than 43 years of rich experience in bicycle/ automobile/engineering industry. Mr. Sudhir Munjal has served as Director of Munjal Auto Industries Limited during the period 1991 to 1993 & he assumed charge as Managing Director of the Company in 1993. During his tenure as Managing Director, Mr. Munjal has successfully steered the change in focus of the business of the Company from Bicycle to Auto Components manufacturing, which resulted into turnaround of the Company in 1999-2000.
 - (b) Mrs. Anju Munjal is an Arts Graduate. She is having more than 27 years of rich experience in bicycle / automobile / engineering industry. In 1999, Mrs. Anju Munjal assumed charge as Whole Time Director of your Company. Under her stewardship, your Company is now one of the fastest growing auto component companies in India.
 - (c) Mr. Anuj Munjal is MBA in Finance and Marketing from North Eastern University, Boston (USA). He has more than 16 years of experience in the field of Marketing, Finance, Administration, IT, Purchase, Operations etc. Prior to joining Munjal Auto Industries Limited, Mr. Anuj Munjal was Chief executive of Hero Cycles Limited (CR division).

Mr. Anuj Munjal has also attended many programmes related to strategic management, six sigma, kaizens etc. Under his young entrepreneurship and supervision approach, Munjal Auto has set up two plants at Bawal and Haridwar where he has contributed his planning skills into timely and systematic completion.
- (ii) Past remuneration: Details of the remuneration of Mr. Sudhir Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal (2012-13) is set out in the Report of Corporate Governance of this Annual Report.
- (iii) Recognition or awards: The Company has no information to offer.
- (iv) Job Profile and suitability: Mr. Sudhir Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal are steering operations and Management of the Company with all attendant responsibilities subject to the overall supervision, direction and control of the Board of Directors of the Company. Having regard to their rich and very vast experience and contributions made so far for the Company in parity with their job profile, your Directors are of the opinion that all three Directors are suitable to hold their respective position and proposed remuneration is reasonable.
- (v) Remuneration proposed:
 - (a) Mr. Sudhir Munjal: Increase in basic salary from Rs. 5,00,000 p.m. to Rs.6,00,000 p.m. and consequent increase in allowances from Rs.5,00,000 p.m. to Rs.6,00,000 p.m.
 - (b) Mrs. Anju Munjal: Increase in basic salary from Rs. 4,00,000 p.m. to Rs. 5,00,000 p.m. and consequent increase in allowances from Rs. 4,00,000 p.m. to Rs.5,00,000 p.m. Rent free accommodation instead of HRA w.e.f. 01.04.2013 for her residual tenure ending on 29th September, 2014.
 - (c) Mr. Anuj Munjal: Increase in basic salary from Rs. 3,00,000 p.m. to Rs. 4,00,000 p.m. and consequent increase in allowances from Rs. 3,00,000 p.m. to Rs.4,00,000 p.m.
- (vi) Mr. Sudhir Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal are related to Mr. Satyanand Munjal, Chairman of the Company.

III. Other Information: Not applicable, since the Company has adequate profits.

IV. Disclosures:

Remuneration package of Mr. Sudhir Munjal, Mrs. Anju Munjal and Mr. Anuj Munjal has been set out in the Corporate Governance Report for the information of shareholders. Additional information as set out above shall be treated as requisite statement in respect of aforesaid Executive Directors in compliance with item No. (iv) of sub paragraph 'B' of paragraph (1) of Section II of Schedule XIII to the Companies Act, 1956.

Item 10

The Board of Directors of your Company in its meeting held on May 14, 2013 reappointed Shri Sudhir Munjal as Managing Director of the Company w.e.f. October 29, 2013 to October 28, 2018 for a further period of five years pursuant to the Provisions of section 198, 269, 309, 310 read with Schedule XIII on the terms and conditions as set out in the Draft Agreement including the remuneration as approved by the Remuneration Committee.

The important terms and conditions of his reappointment are as follows:

1. Period of Appointment: From October 29, 2013 to October 28, 2018.
2. Details of Remuneration:
 - a) Salary : Rs. 6,00,000/- with an authority to the Board to grant such further increases from time to time as it may deem fit;
 - b) Commission: He shall also be entitled to remuneration by way of commission which shall not exceed 5% of the yearly net profit of the Company, as calculated in the manner set out in Section 349 and 350 of the Companies Act, 1956;
 - c) Allowances :

Particulars	% of Basic Salary
I. House Rent Allowance	60%
II. Medical Allowance	10%
III. Electricity Allowance	10%
IV. Professional Development Allowance	10%
V. Education Allowance	5%
VI. Furnishing Allowance	5%
 - d) Perquisites:
 - I. Car Facility : Car facility with Driver to be used for the business of the Company;
 - II. Telephone : Free telephone facility at his residence to be used for the business of the Company;
 - III. Leave Travel Concession : For the appointee and his family once in a year incurred in accordance with any rules specified by the Company;
 - IV. Personal Accident Insurance : Actual premium to be paid by the Company;
 - V. Insurance of Household goods : Actual premium to be paid by the Company;
 - VI. Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent not taxable;
 - VII. Gratuity : Payable at the rate not exceeding half a month's salary of each completed year of service;
 - VIII. Leave Encashment at the end of the tenure of services of the Managing Director.

For the purpose of calculating the above ceiling, perquisites shall be calculated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be calculated at actual cost.
 - e) Minimum Remuneration: Where in any financial year during the currency of tenure of the Managing Director, the Company has no profit or if profits are inadequate, minimum remuneration payable to the managing Director shall be same salary and perquisites as above mentioned, subject to the statutory limits of the Companies Act, 1956.
3. Termination: The agreement may be terminated by either party by giving 180 days' notice in writing of such termination.
4. Duties: Shri Sudhir Munjal shall perform the duties as mentioned in the Draft Agreement and also such duties, which from time to time may be entrusted to him by the Board of Directors of the Company.



The above may be treated as an abstract of the Agreement proposed to be entered into by the Company with Shri Sudhir Munjal as required under section 302 of the Companies Act, 1956.

Your Directors recommend and seek your approval to the resolution as appearing in item No. 10 of the accompanying notice by way of Special Resolution.

None of the Directors, except Shri Sudhir Munjal himself and his relatives viz Shri Satyanand Munjal, Smt. Anju Munjal and Shri Anuj Munjal, shall be deemed to be concerned / interested in the said resolution.

Item No. 11

Earlier, the Members of the company at their Annual General meeting held on 28th September, 2005 authorised the Board of Directors of the Company to borrow upto Rs.100 Crores within the meaning of Section 293(1)(d) of the Companies Act, 1956. Thereafter Manufacturing Units at Bawal in Haryana and Haridwar in Uttarakhand have already become operational. The Company proposes to expand its manufacturing activities at Dharuhera in Haryana also. Hence it is proposed to authorise the Board of Directors of the Company, to borrow up to enhanced limit of Rs.200 Crores, which amount exceeds its paid up capital and free reserves as prescribed under section 293(1)(d) of the Companies Act, 1956. This enabling Resolution shall enable the company to be compliant of requirement stipulated in the said section's provision.

Your Directors recommend and seek your approval to the resolution as appearing in item No.11 of the accompanying Notice by way of ordinary resolution.

No Director shall be deemed to be interested or concerned in the resolution.

INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(1) Mr. Satyanand Munjal

Mr. Satyanand Munjal, the Chairman of the Company is one of the founder members of Hero Empire. He joined the Board of Munjal Auto Industries Limited as Chairman & Director in the year 1996. This is his leadership ability and visionary approach that has helped the company to turnaround in the year 1999-2000. At present, he is on the Board of following companies and committees thereof.

Sr. No.	Name of Companies in which Directorship / Chairmanship is held as on March 31, 2013	Position held	Committee Membership / Chairmanship in other Public Ltd. Companies
1	Satyam Auto Components Ltd.	Director	None
2	Shivam Autotech Limited	Director	None
3	Munjal Auto Industries Ltd.	Chairman	Member :Share Transfer Committee Remuneration Committee

(2) Mr. Mahendra Sanghvi

Mr. Mahendra Sanghvi is an independent Director. Mr. Sanghvi is a chemical engineer from Wayne University, USA and Bachelor of Science from Gujarat University. Mr. Sanghvi has also diploma in plastics engineering and business management from University of Toronto, Canada to his credit.

Mr. Sanghvi has a rich experience of around 39 years in plastic industry. He is Managing Director of Shaily Group of Companies. Shaily Group is leader in precision injection moulding of engineering plastics and enjoys premier position in Indian Plastics Industry as quality Injection Moulding House.

Mr. Sanghvi does not hold any shares or beneficial interest in any shares of your Company.

Mr. Sanghvi is currently on the Board of the following Companies:

Sr. No.	Name of Companies in which Directorship / Chairmanship is held as on March 31, 2013	Position held	Committee Membership / Chairmanship in other Public Ltd. Companies
1	Shaily Engineering Plastics Ltd.	Managing Director	None
2	Munjal Auto Industries Limited	Director	Chairman:Remuneration Committee Member : Investor's Grievance Committee Audit Committee
3	Panax Appliances Private Limited	Chairman	None
4	Shaily – IDC (India) Private Limited	Director	None
5	Integra Engineering India Limited	Director	Chairman :Shareholder's Grievance Committee Member :Audit Committee

(3) Mr. Naresh Chawla

Mr. Naresh Chawla is an independent Director. Mr. Chawla is a gold medallist from Delhi University. Mr. Chawla is a Graduate in Dairying from National Dairy Research Institute from Punjab University, PGDIM & MBA from Delhi University and Post graduation in Economic Decision Analysis from Boston University, Belgium.

Mr. Chawla has over 43 years of experience in various fields of corporate sector. Mr. Chawla has worked for 30 years in one of the largest agro-based body corporate i.e. National Dairy Development Board and superannuated as its Executive Director. He has versatile knowledge in various fields of corporate sector viz finance, administration etc. by virtue of his experience. He is the past Chairman of Indian Dairy Association, expert group for research on contaminants in foods, Bureau of Indian Standards and Regional expert committee of the Indian Management Association. He was leader of the Indian Delegation to the Codex Committee on Food Hygiene, Washington DC and Indian Delegation to International Dairy Federation, Iceland.

Apart from Munjal Auto Industries Limited, Mr. Chawla is not on the Board of any other public limited company. Mr. Chawla holds 250 shares in the Company as on March 31, 2013.

Place : Waghodia
Date : May 14, 2013

Registered Office:
187, GIDC Industrial Estate,
Waghodia – 391 760
Dist.: Vadodara (Gujarat)

By Order of the Board of Directors
For Munjal Auto Industries Ltd.

Sd/-
Rakesh Johari
Company Secretary

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INTENTIONALLY

MUNJAL AUTO INDUSTRIES LIMITED

Registered Office: 187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat

28th Annual General Meeting

ATTENDANCE SLIP

Folio No. _____

No. of Share(s) held: _____

DP ID*	_____
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Client ID*	_____
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Name(s) in full

Father/Husband's Name

Address as registered
with the Company

- | | | |
|----------|-------|-------|
| 1. _____ | _____ | _____ |
| 2. _____ | _____ | _____ |
| 3. _____ | _____ | _____ |

I/We hereby record my/our presence at the 28th Annual General Meeting of the Company being held at Registered Office of the Company at 187, GIDC Industrial Estate, Waghodia – 391 760 Dist. Vadodara (Gujarat) on Saturday, the 10th August, 2013 at 3.30 p.m.

Signature of the Member(s)/Proxy

1. _____ 2. _____ 3. _____

* Applicable for members holding share(s) in electronic form.

Notes:

1. A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance of meeting hall.
2. A Member intending to appoint a proxy should complete the Proxy Form printed below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

MUNJAL AUTO INDUSTRIES LIMITED

Registered Office: 187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat

28th Annual General Meeting

PROXY FORM

Folio No. _____

No. of Share(s) held: _____

DP ID*	_____
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Client ID*	_____
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Name(s) in full

Father/Husband's Name

Address as registered
with the Company

- | | | |
|----------|-------|-------|
| 1. _____ | _____ | _____ |
| 2. _____ | _____ | _____ |
| 3. _____ | _____ | _____ |

being a member(s) of Munjal Auto Industries Limited hereby appoint _____ of _____ or failing him / her _____ of _____ as my/our proxy to vote for me / us on my / our behalf at the 28th Annual General Meeting of the Company to be held on Saturday, the 10th August, 2013 at 3.30 p.m. and any adjournment thereof.

Signature of the Member(s)

Signature of proxy

1. _____ 2. _____ 3. _____

* Applicable for members holding share(s) in electronic form

Note: The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of meeting.

MUNJAL AUTO INDUSTRIES LIMITED

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

MANDATE FORM

Shareholder's authorization to receive dividends through Electronic Credit Clearing Mechanism

1.	Name of the first / sole Shareholder								
2.	Registered Folio No. / DP ID / Client ID								
3.	No. of Shares held								
4.	Name of the Bank								
5.	Account Number (as appearing on cheque book)								
6.	Account type (Please tick)	Savings	<input type="checkbox"/>	Current	<input type="checkbox"/>	Cash Credit	<input type="checkbox"/>		
7.	Ledger No. / Ledger Folio No. (As appearing on the cheque book / pass book)								
8.	9-digit code number of the Bank and branch appearing on the MICR cheque issued by the Bank								

(in lieu of Bank certificate to be obtained as under, you may attach a blank cancelled cheque, or photocopy of a cheque or the front page of the pass-book of your savings account issued to you by your Bank, for verification of all the above particulars.)

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I will not hold Munjal Auto Industries Limited responsible. I have read the option invitation letter and agree to discharge the responsibility expected from me as a participant under the scheme.

Date:

Place:

Signature of the Shareholder

Certified that the particulars furnished above are correct as per our records

Bank's Stamp

Date:

Signature of the Authorised Official from the Bank

Note:

1. Please fill the above Mandate Form and send it to :

- (a) the Company at its Registered Office at 187, GIDC Industrial Estate, Waghodia – 391 760, Dist. Vadodara (Gujarat) in case you are holding shares in physical form;
 - (b) the Depository Participant (DP) with whom you are maintaining your Demat account, in case you are holding the shares in electronic form.
- Kindly note that the information provided by you should be accurate and complete in all respect and duly certified by your Bank. In lieu of the Bank certificate, you may attach a blank cancelled cheque or photocopy of a cheque or the front page of the pass-book of your account issued to you by your Bank, for verification of the above particulars.
 - In case of more than one folio, please complete the details on separate sheets.
 - The information provided by you will be treated confidential and would be utilized only for the purpose of effecting the payments meant for you. You also have the right to withdraw from this mode of payment by providing the Company an advance notice of 6 weeks.

MUNJAL AUTO

28th Annual Report & Accounts 2012-13



Munjal Auto Industries Limited

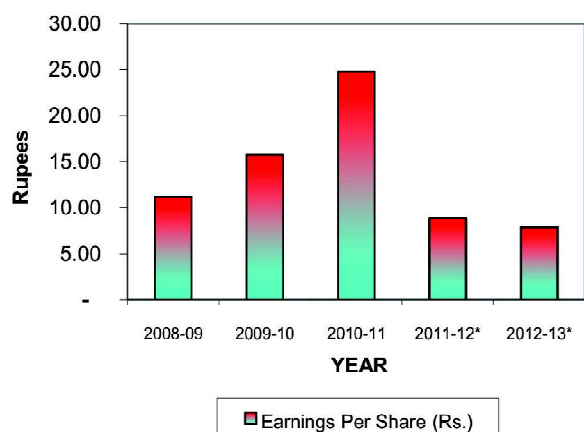
FINANCIAL STATISTIC

FIVE YEARS' TRACK RECORD

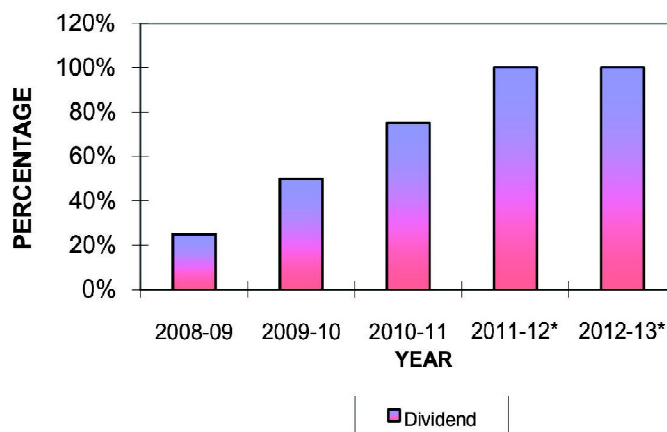
(Rs. In Lacs)

	2008-09	2009-10	2010-11	2011-12*	2012-13
*Equity Share Capital	1,000	1,000	1,000	1,000	1,000
Reserves & Surplus	5,673	6,671	8,282	11,551	14,330
Deferred Tax Liability / (Assets)	238	235	348	524	646
Secured Loans	239	3,714	6,182	6,153	6,008
Total External Liability	4,060	5,105	8,867	11,643	10,355
Total Assets	11,210	16,725	24,679	30,871	32,339
Sales	27,892	32,693	57,225	73,582	78,622
YoY Growth	6.38%	17.21%	75.04%	28.58%	6.85%
Profit Before Interest, Depreciation & Tax (PBDIT)	2,242	2,860	4,483	6,610	5,999
Interest	58	81	397	779	687
Depreciation	588	527	808	1,003	1,138
Profit before Tax	1,597	2,252	3,278	4,828	4,174
Profit after Tax	1,109	1,575	2,487	4,432	3,949
Earnings Per Share (Rs.)	11.25	15.79	24.83	8.86	7.90
Dividend	25%	50%	75%	100%	100%

EARNING PER SHARE



DIVIDEND



* Indicated EPS is of Face Value of Rs.2/- each. Every 1 (One) Equity Share of Rs.10/- (Ten only) each subdividend into 5 (Five only) 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)

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DIRECTORS' REPORT

To
The Members
Munjal Auto Industries Limited

Your Directors have pleasure in presenting the 28th Annual Report along with the Balance Sheet and Profit and Loss Account for the year ended March 31, 2013.

FINANCIAL RESULTS

	(Rs. in Lacs)	
Year ended March 31,	2013	2012
Sales & Other Income	78622.38	73582.27
Profit before Finance Cost & Depreciation	5999.38	6609.56
Depreciation	1137.88	1003.05
Finance Cost	686.69	778.72
Profit before Taxation	4174.42	4827.79
Provision for Taxation (Deferred & Current)	225.46	395.90
Profit after Taxation	3948.96	4431.89
Profit available for Appropriations	3948.96	4431.89
Appropriations		
Proposed Dividend on Equity Shares	1000.00	1000.00
Tax on Dividend	169.95	162.22
Transfer to General Reserve	394.89	443.19
Profit remaining after Appropriation/s	2384.12	2826.48

DIVIDEND

Your Directors have pleasure to recommend a dividend of 100% i.e. Rs.2/- on equity share of Rs. 2 each for the fiscal year ended 31st March, 2013. The dividend, if approved by the Members in the ensuing Annual General Meeting, would absorb Rs.1169.95 lacs (Rs. 1162.22 lacs previous year) out of the distributable profits available.

The Register of Members and Share Transfer Books will remain closed from August 5, 2013 to August 10, 2013 (both days inclusive).

APPROPRIATIONS

After setting aside the amount of Rs.1169.95 lacs toward dividend including dividend distribution tax and after transferring an amount of Rs. 394.89 lacs (Rs. 443.18 lacs previous year) to General Reserve, the balance amount of Rs.2384.12 lacs (Rs. 2826.48 lacs previous year) is being retained in the Profit and Loss Account.

PERFORMANCE

The Company has achieved sales turnover of Rs. 775.14 Crore registering a modest growth of 6.44% per cent. Profit before tax is Rs.41.74 Crore and profit after tax at Rs. 39.49 Crore during the year as against Rs.48.28 Crore and Rs.44.32 Crore respectively in the

previous year. Decline in Profitability during the year over that of the previous year – both at PBT and PAT levels – is a reflection of the challenging business environment; increase in operating costs could not be offset with commensurate increase in product prices due to tough conditions in the automobile sector and the resultant cascading effects on the auto components market in which your Company operates. The EBIDTA or the Gross Margins from operations as a result, have fallen by INR 610 lac in the current year, which represents 829 bps on sales and other income in current financial year ended March, 2013 as compared with 967 bps in the previous financial 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.

DIRECTORS

Mr. Satyanand Munjal, Mr. Mahendra Sanghvi and Mr. Naresh Chawla retire by rotation in the forthcoming Annual General Meeting. All of them, being eligible, offer themselves for reappointment.

Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting and Explanatory Statement in this regard.

GREEN INITIATIVE

The Ministry of Corporate Affairs(MCA) vide Circular No.17/2011 dated 21.04.2011 together with another Circular No. 18/2011 dated 29.04.2011 has launched "Green Initiative in the Corporate Governance" by encouraging Companies to come forward and take paperless compliance. Environment conscious as your Company is, it appreciates this move by MCA as it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment.

In acknowledgment of such an environ-friendly initiative of MCA, your Company is poised to take concrete steps by sending documents such as Notice of the General Meetings, Annual Report and other communication/s to its shareholders via electronic mode to the registered e-mail addresses of the shareholders. To effectuate this green initiative of the Government in full measure, shareholders are requested to register/update, as soon as possible, their latest e-mail addresses with their Depository Participant (D.P.) with whom they have their Demat Account or send the same to the Company via e-mail at cs@munjalauto.com. We solicit your valuable cooperation and support in our endeavor to contribute our bit to the environment.

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.

Your Company encourages employees at all locations of its operations to adopt and include best practices viz employee education and involvement, low cost automation, Advance 5S & Value Stream Mapping etc. to achieve improvement in safety, quality, productivity and cost. This has been further sustained and improved through total participation of employees at all levels and continuing upgrading the knowledge level of employees by adopting improvement tools like Kaizens, 5S and Cause and Effect matrix (CEF) etc.

AWARDS AND RECOGNITION

- 1) Your Company has received "Silver Award" in 'Fabrication Category' from its principal customer Hero MotoCorp Limited during the FY 2012-13 in the recently held interactive supply chain Partners' Meet.
- 2) General Motors India Limited has awarded your Company "Best Practices Recognition" for implementation of Quality System Basics (QSB) during the FY 2012-13.
- 3) Tata Motors Limited has rated the Company as an "A Grade" vendor for zero customer complaint for the FY 2012-13.
- 4) Piaggio India, a recent customer of the Company, has chosen your Company to supply auto parts for its global operations.

FINANCE

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

With respect to the Listing Agreement, Management Discussion and Analysis Report is annexed and forms part of the Annual Report. A report on Corporate Governance along with the Auditors Certificate on its compliance is also annexed forming part of the Annual Report.

FIXED DEPOSITS

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

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to section 205-C of the Companies Act, 1956, your Company has transferred an amount of Rs.9,40,573 (Rupees Nine Lacs Forty Thousand Five Hundred Seventy Three) being the amount of unclaimed dividend for the year 2004-05 to the Investor Education and Protection Fund during the current financial year.

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, 2013 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

Your Company has been retained at AA- (Stable) and A1+ for its long term and short term borrowings (fund / non fund based limits) by rating agency ICRA. The Company has also been reaffirmed A1+ for commercial paper for Rs.15 Crore.

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.

ENVIRONMENT & SOCIAL RESPONSIBILITY

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.

As mentioned earlier, ISO 14001:2004 by Bureau Veritas Certification (BVC) during FY 2012-13 has been reaffirmed to the Company for 3 years. New Effluent Treatment Plant (ETP) has been installed for prevention of pollution and reduction in sludge generation. Everyday effluent water is treated in ETP and being recycled for tree plantation and gardening.



Your Company has adopted environment friendly Oxsalin process for pre-treatment in place of conventional phosphating process this will eliminate sludge generation. Since the system works at ambient temperature, energy required for heating will be saved. Also, the chemical used are free from heavy metals like Zinc & Nickel. Hence this process is a step towards eliminating the impact on environment.

Your Company is continuing to participate and foster 'Green Vendor Development Program' with ongoing improvements with practical and innovative approach.

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.

HEALTH AND SAFETY

Your Company has been certified for Occupation, Health and Safety (OHSAS)18001:2007 from Bureau Veritas during FY 2012-13, which is valid for three years. Your Company is committed for safety and occupational health & compliance with applicable safety and occupational health legislation, regulations and other requirements. All incidents/ accidents are investigated and analysed to prevent reoccurrence and improve upon safety record.

ACKNOWLEDGEMENTS

The Company would like to thank all of its Stakeholders, including inter alia Suppliers, Vendors, Investors, 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 endeavours 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
Munjal Auto Industries Limited

Date : 14.05.2013
Place : Waghodia

Sudhir Munjal
Managing Director

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

Opportunities and Threats

Indian Economy and Business Outlook

After a heady and impressive growth story for nearly 7 successive years from 2004 onward, the Indian economy's growth flight seems to have hard-landed in last two years with the GDP growth rates declining sharply. Accompanying in tandem are other major worrisome macro variables – viz. High level of Inflation, widening Current Account Deficit and rather sharp depreciation of the external value of Indian Rupee against all major currencies of the World.

Automotive Sector

A early signs of SIAM's (Society of Indian Automobile Manufacturers) prognosis that the growth of the auto industry in coming years will moderate to some extent on a high base of the numbers and prevalent uncertainty of macro environ, have already been visible and is increasingly felt by the automobile industry in India since FY 11-12. Declining trend in demand has continued unabated in the recently concluded FY in March 2013 and the two-wheeler segment of automobile industry has witnessed a near flat growth; in fact motor cycles, with which the marketing of bulk of the auto components produced by your Company is connected, showed a marginal decline in sales in FY 12-13.

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

Financial Year 2012-13 saw a continuing pressure in commodity prices on account of high inflation that has continued to besiege India. Going forward in FY 13-14, the Company will have to brace and cope with an uncertain scenario on raw material pricing front. Fallout of this will be an increased pressure on margins; your Company will have to rely, with increased focus, on cost re-engineering/operational efficiencies to minimize adverse impact. But that has a limit too and it looks like the scenario won't be too encouraging on major raw materials front in the near-term future.

- Fuel prices and Its Adverse Impact

The increase in the fuel prices in the last couple of years and the fluctuation thereof have rendered a lot of uncertainty in the industry. On the one hand, it has effected demand, as customers are preferring to wait and watch. On the other it has increased

costs as most manufacturing processes, be those of our raw material or our own, use fuel.

- 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. Conservative Money Policy has already set in to rein in inflation and is expected to continue well into Year 2013 as per present reckoning.

Depreciation in Indian Rupee, pretty sharp and almost sudden, happened in last 12 months has been hitting like a *double whammy* and accentuating inflation/cost pressures in business arena.

Future Outlook

Amid such an uncertain environment, your Company is undertaking the following initiatives:

- 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. For this your Company is actively working towards setting up its own R&D center. For this we are currently looking for global partners to help the Company in the area of increasing R & D capabilities.

- Increase Product Range:

Your Company is also constantly working on broadening its product portfolio. From manufacturing Rims and Mufflers until three years back, your Company today manufactures, other than mufflers, fuel tanks for cars and chassis components like impact beams. Also within the category of mufflers as a product, the Company is studying and pursuing opportunities of higher capacity motorcycles for export markets.

- 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, spray phosphating, tool manufacturing to name a few. Also through technical partnerships with certain expert organizations, we have worked towards increasing efficiencies and reducing operational costs.

To sum up, your Company fully recognizes the opportunities and challenges the changing paradigm is posing and is leaving no stone untouched in making sure it is prepared for the future.



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 growth of the industry and its rapid industrialization is putting tremendous pressure on available energy resources. As such the need of the hour is to conserve energy and maximize output. Your Company continues its endeavor to improve energy conservation and utilization. The Management is deeply involved in the areas for conservation of energy which is being utilised in manufacturing processes like power, fuel (Propane and Furnace oil), oils and lubricants. Many initiatives have been taken such as

- At manufacturing process levels, motor capacities have been optimized based upon process requirements and actions have been initiated by reducing the HP of the motors without comprising the functional requirements.
- Wherever possible, the efforts are on to resort to Automation and carry out modification/alteration in existing energy consumption areas across all operations to save the energy and achieve resultant power cost reduction.

2. Foreign Exchange Earnings and outgo

	(Rs. in Lacs)	
	2012-13	2011-12
(a) Total Foreign Exchange Earnings	2.07	—
(b) Total Foreign Exchange Outgo	354.37	446.50

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, 2013.

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	2,07,34,090	43	67	31.10.1993	Majestic Auto Ltd. Executive Director
2.	Ms. Anju Munjal B.A.	Whole Time Director	1,50,56,624	27	63	01.01.1995	Munjal Auto Industries Ltd. Chief Executive
3.	Mr. Anuj Munjal MBA	Whole Time Director	1,09,25,749	16	39	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 AUDITORS' 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, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year 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. These 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. 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, 2013;
- (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, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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

Place : Vadodara
Date : 14-05-2013

SURENDRA MODIANI
PARTNER
Membership No.047966



ANNEXURE TO AUDITORS' 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, 2013

- 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 except demand aggregating to Rs.47,64,957/- under Income Tax Act pertaining to the Assessment years 2004-2005, 2005-2006 and 2006-2007 against which appeals are pending before the Commissioner (Appeals).
- 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 : 14-05-2013

**BALANCE SHEET AS AT MARCH 31, 2013****(Amount in Rs.)**

Particulars	Note No	As at March 31, 2013	As at March 31, 2012
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	2.1	100,000,000	100,000,000
Reserves and Surplus	2.2	1,433,062,019	1,155,161,034
		<u>1,533,062,019</u>	<u>1,255,161,034</u>
<u>NON-CURRENT LIABILITIES</u>			
Long Term Borrowings	2.3	456,477,783	488,122,026
Deferred Tax Liabilities (Net)	2.4	64,640,092	52,395,933
Long Term Provisions	2.5	32,600,776	23,780,381
		<u>553,718,651</u>	<u>564,298,340</u>
<u>CURRENT LIABILITIES</u>			
Short Term Borrowings	2.6	54,934,831	50,686,120
Trade Payables	2.7	711,255,027	849,158,636
Other Current Liabilities	2.8	244,318,560	235,386,952
Short Term Provisions	2.9	136,590,798	132,425,309
		<u>1,147,099,216</u>	<u>1,267,657,017</u>
TOTAL		<u>3,233,879,886</u>	<u>3,087,116,391</u>
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Fixed Assets			
- Tangible Assets	2.10	1,261,268,062	1,274,739,142
- Intangible Assets	2.11	9,872,787	14,570,519
- Capital Work in Progress	2.12	56,511,116	21,293,509
Long Term Loans and Advances	2.13	68,740,169	22,135,617
Other Non Current Assets	2.14	138,561,527	69,257,738
		<u>1,534,953,661</u>	<u>1,401,996,525</u>
Current Assets			
Current Investments	2.15	609,083,194	492,179,614
Inventories	2.16	260,388,888	205,238,647
Trade Receivables	2.17	720,653,241	922,908,494
Cash and Cash Equivalents	2.18	67,760,408	10,080,481
Short Term Loans and Advances	2.19	41,040,494	54,712,630
		<u>1,698,926,225</u>	<u>1,685,119,866</u>
TOTAL		<u>3,233,879,886</u>	<u>3,087,116,391</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	(1 & 2)		

As per our report attached
For Vakil Jain & Hindocha
Chartered Accountants

Surendra Modiani
Partner
Membership No. 47966
Firm Registration No. 112894W

S. K. Sharma
GM (Finance)
Rakesh Johari
Company Secretary

For and on behalf of the Board
Vikram Shah Director
Mahendra Sanghvi Director
Ramkisan Devidayal Director
Sudhir Munjal Managing Director
Anju Munjal Whole Time Director
Anuj Munjal Whole Time Director

Waghodia
Date : 14th May, 2013

Waghodia
Date : 14th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
(Amount in Rs.)			
Revenue from operations			
Revenue from Operations (Gross)	2.20	7,799,701,641	7,321,853,659
Less : Excise Duty		<u>626,376,715</u>	<u>523,245,708</u>
Revenue from Operations (Net)		7,173,324,926	6,798,607,951
Other Income	2.21	<u>62,536,882</u>	<u>36,374,956</u>
Total Revenue		<u>7,235,861,808</u>	<u>6,834,982,907</u>
Expenses:			
Cost of Materials Consumed	2.22	5,529,539,409	5,169,182,112
Changes in Inventories of Finished Goods, Cost of Materials Consumed and Work in Progress	2.23	(13,287,155)	(22,497,396)
Employee Benefits Expenses	2.24	319,966,692	284,029,113
Finance Costs	2.25	68,698,479	77,872,281
Depreciation and Amortization Expenses	2.26	113,787,568	100,305,298
Other Expenses	2.27	<u>799,714,485</u>	<u>743,312,661</u>
Total Expenses		<u>6,818,419,478</u>	<u>6,352,204,069</u>
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEM AND TAX		417,442,330	482,778,838
Exceptional items	2.28 P	-	-
PROFIT BEFORE TAX		417,442,330	482,778,838
Tax Expenses			
Current Tax		79,605,975	91,237,738
Less : MAT Credit Entitlement		69,303,789	69,257,738
Net Current Tax		10,302,186	21,980,000
Deferred Tax		<u>12,244,159</u>	<u>17,610,290</u>
PROFIT FOR THE YEAR		<u>394,895,985</u>	<u>443,188,548</u>
Earning per Equity Share (of Rs. 2/- each)			
Basic		7.90	8.86
Diluted		7.90	8.86

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(1 & 2)

As per our report attached
For Vakil Jain & Hindocha
Chartered Accountants

For and on behalf of the Board

Surendra Modiani
Partner
Membership No. 47966
Firm Registration No. 112894W

S. K. Sharma
GM (Finance)

Rakesh Johari
Company Secretary

Vikram Shah	Director
Mahendra Sanghvi	Director
Ramkisan Devidayal	Director
Sudhir Munjal	Managing Director
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia
Date : 14th May, 2013

Waghodia
Date : 14th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the year ended March 31, 2013	(Amount in Rs.) For the year ended March 31, 2012
A. Cash Flow from Operating Activities		
Net Profit Before Tax and Extra Ordinary Items	417,442,330	482,778,837
Adjustments for :		
Depreciation	113,787,568	100,305,298
Profit on Sale of Fixed Assets	-	(2,481,442)
Loss on sale / Discarded Assets	2,017,516	-
Lease Rent Paid	573	573
Cost of Foreign Exchange Rate Fluctuations	7,560,874	4,603,895
Loss on Sale of investments (Net)	46,655	-
Diminution of Value of Investment	796,991	-
Interest Income	(1,969,596)	(353,659)
Interest Expenses	61,137,605	73,268,386
Dividend Income	(33,986,972)	(26,766,856)
	<u>149,391,214</u>	<u>148,576,194</u>
Operating Profit Before Working Capital Changes	<u>566,833,544</u>	<u>631,355,032</u>
<u>Increase / Decrease in Working Capital :</u>		
Inventories	(55,150,241)	(44,679,365)
Trade Receivables	202,255,253	(277,979,006)
Other Current Assets	(33,782,051)	83,773,178
Trade Payables	(139,259,818)	186,603,151
Other Liabilities	(8,863,787)	(84,234,067)
	<u>(34,800,643)</u>	<u>(136,516,109)</u>
Cash Generated from Operations	<u>532,032,900</u>	<u>494,838,923</u>
Prior Period Adjustments (Net)	-	-
Income Tax paid	(90,470,537)	(87,992,295)
Net Cash from Operating Activities A	<u>441,562,363</u>	<u>406,846,628</u>
B. Cash Flow from Investing Activities		
Purchases of Fixed Assets & Capital Advances	(140,634,000)	(171,462,985)
Lease Rent paid	(573)	(573)
Proceeds from Sale of Fixed Assets	5,688,394	4,596,099
Sale of Investments	3,012,416,413	3,160,407,901
Purchase of Investments	(3,102,117,726)	(3,310,794,352)
Dividend Income	33,986,972	26,766,856
Interest Income	1,969,596	353,659
Net Cash used in Investing Activities B	<u>(188,690,924)</u>	<u>(290,133,395)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Continued)

	(Amount in Rs.)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
C. Cash Flow from Financing Activities		
Dividend paid	(100,000,000)	(75,000,000)
Dividend Distribution Tax paid	(16,222,500)	(12,166,875)
Interest paid	(68,698,479)	(77,872,281)
Proceeds from Long Term Borrowings	100,000,000	71,421,476
Repayment of Long Term Borrowings	(114,519,243)	(74,250,000)
Working Capital Finance from Banks	4,248,711	50,643,653
Net Cash from Financing Activities C	(195,191,511)	(117,224,027)
Net Increase/(Decrease) in Cash & Cash equivalents	57,679,927	(510,794)
Cash and Cash Equivalents at the beginning of the year	10,080,481	10,591,275
Cash and Cash Equivalents at the end of the year	67,760,408	10,080,481

**SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON ACCOUNTS**

(1 & 2)

As per our report attached
For Vakil Jain & Hindocha
Chartered Accountants

Surendra Modiani
Partner
Membership No. 47966
Firm Registration No. 112894W

Waghodia
Date : 14th May, 2013

S. K. Sharma
GM (Finance)

Rakesh Johari
Company Secretary

For and on behalf of the Board

Vikram Shah Director
Mahendra Sanghvi Director
Ramkisan Devidayal Director
Sudhir Munjal Managing Director
Anju Munjal Whole Time Director
Anuj Munjal Whole Time Director

Waghodia
Date : 14th May, 2013



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

In earlier years, provision for warranty claims was made on the basis of claims received during the year under consideration. In light of increasing volume, as also requirement of relative Accounting Standard, estimated liability on account of warranty claims in respect of sales made during the year is provided on the basis of 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, 2013

Note No	Particulars	As at March 31, 2013	As at March 31, 2012
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, 2013 and March 31, 2012 is set out below;

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning	50,000,000	100,000,000	10,000,000	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 shareholders more than 5% shares

Particulars	As at March 31, 2013		As at March 31, 2012	
	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, 2013	As at March 31, 2012
2.2	<u>RESERVE & SURPLUS:</u>		
	<u>Capital Reserve</u>		
	Profit on re-issue of forfeited shares	209,150	209,150
	<u>General Reserve</u>		
	Opening Balance	197,725,306	153,406,451
	Add : Transferred from Statement of Profit and Loss	39,489,599	44,318,855
	Closing Balance	237,214,905	197,725,306
	<u>Surplus in Statement of Profit and Loss</u>		
	Opening Balance	957,226,578	674,579,386
	Add : Profit for the year	394,895,985	443,188,547
	Total	1,352,122,563	1,117,767,933
	Less :		
	- Dividend @ Rs. 2/- per Share (Previous year Rs.2 per Share)	100,000,000	100,000,000
	- Dividend Tax	16,995,000	16,222,500
	- Amount transferred to General Reserve	39,489,599	44,318,855
	Surplus - Closing Balance	1,195,637,965	957,226,578
	Total Balance	1,433,062,019	1,155,161,034



2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

Note No	Particulars	As at March 31, 2013	As at March 31, 2012
2.3	<u>LONG TERM BORROWINGS</u>		
	Term Loans from Banks	456,477,783	488,122,026
	- Secured (refer note no. 2.28 D)	<u>456,477,783</u>	<u>488,122,026</u>
2.4	<u>DEFERRED TAXES</u>		
	Deferred Tax Liabilities		
	Accumulated Depreciation	82,488,692	66,517,596
	Deferred Tax Assets		
	Employees Benefits deductible on payment	17,848,600	14,121,663
		<u>64,640,092</u>	<u>52,395,933</u>
2.5	<u>LONG-TERM PROVISIONS:</u>		
	Provisions for Employee Benefits		
	- Leave Benefits	17,993,960	14,052,995
	- Gratuity	12,485,213	9,727,386
	Provision for Warranties	2,121,603	-
		<u>32,600,776</u>	<u>23,780,381</u>
	<u>CURRENT LIABILITIES</u>		
2.6	<u>SHORT-TERM BORROWINGS:</u>		
	Loans repayable on demand		
	From Banks	54,934,831	50,686,120
	- Secured	<u>54,934,831</u>	<u>50,686,120</u>
	These loans are secured by a first charge on inventories, receivables and all other current assets of the Company.		
2.7	TRADE PAYABLES	711,255,027	849,158,636
		<u>711,255,027</u>	<u>849,158,636</u>
2.8	<u>OTHER CURRENT LIABILITIES</u>		
	1 Current Maturities of Long Term Debts (refer note no. 2.28 D)	144,375,000	127,250,000
	2 Interest Accrued but not due on Borrowings	5,399,095	5,929,434
	3 Unpaid Dividends	5,346,586	4,837,121
	4 Other Payables		
	- Statutory Liabilities	14,362,112	14,800,495
	- Creditors for Purchase of Capital Goods	11,521,585	11,414,448
	- Salary and Other Benefits to Employees	38,762,555	52,588,115
	- Advances from Customer	8,039,291	-
	- Deposits from Contractors	2,058,648	1,242,078
	- Expenses Payable	14,453,688	17,325,261
		<u>244,318,560</u>	<u>235,386,952</u>

2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

Note No	Particulars	As at March 31, 2013	As at March 31, 2012
2.9	<u>SHORT-TERM PROVISIONS</u>		
a	Provisions for Employee Benefits		
-	Leave Benefits	11,729,141	9,565,494
-	Gratuity	6,591,855	5,752,920
b	Other Liabilities		
-	Provision for Warranties	1,060,802	-
-	Proposed Dividend	100,000,000	100,000,000
-	Provision for Tax on Dividend	16,995,000	16,222,500
	Provisions for Income Tax	-	676,395
	Wealth Tax	214,000	208,000
		<u>136,590,798</u>	<u>132,425,309</u>

FIXED ASSETS

(Amount in Rs.)

PARTICULARS	Gross Block			Depreciation/ Amortisation Block				Net Block		
	As on April 1, 2012	Additions/ Adjustment during the period	Deduction Retirement during the period	As at March 31, 2013	As at April 1, 2012	For the year period	Deduction / Adjustment during the period	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
2.10	<u>TANGIBLE ASSETS</u>									
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	352,134,760	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
PREVIOUS YEAR	1,598,992,486	273,889,106	53,051,284	1,819,830,308	498,488,462	97,539,335	50,936,628	545,091,169	1,274,739,142	1,100,504,024
2.11	<u>INTANGIBLE ASSETS</u>									
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
	24,682,250	538,822	-	25,221,072	10,111,731	5,236,554	-	15,348,285	9,872,787	14,570,519
PREVIOUS YEAR	24,639,542	42,708	-	24,682,250	5,774,054	4,337,678	-	10,111,731	14,570,519	18,865,488
2.12	<u>CAPITAL WORK IN PROGRESS</u>									
									56,511,116	21,293,509

Note No	Particulars	As at March 31, 2013	As at March 31, 2012
2.13	<u>LONG TERM LOANS AND ADVANCES:</u>		
	(Unsecured, Considered Good)		
	Capital Advances	50,552,273	4,641,865
	Security Deposits	18,187,896	17,493,752
		<u>68,740,169</u>	<u>22,135,617</u>
2.14	<u>OTHER NON-CURRENT ASSETS</u>		
	MAT Credit entitlement	138,561,527	69,257,738
		<u>138,561,527</u>	<u>69,257,738</u>



2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

CURRENT ASSETS	As at March 31, 2013		As at March 31, 2012	
	Unit	Amount	Unit	Amount
2.15 CURRENT INVESTMENTS				
INVESTMENT IN MUTUAL FUNDS (UNQUOTED)				
HDFC FMP Plan	-	-	500,000	5,000,000
HDFC Multiple Yield Fund-Growth	1,274,800	21,151,864	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 FHF-XX Series 23	-	-	750,000	7,500,000
Reliance Monthly Interval Fund-Series II	-	-	2,996,135	30,000,000
Reliance Monthly Income Plan Growth	1,174,633	30,000,000	-	-
Reliance Interval Fund-Quarterly Plan-Series1	-	-	2,987,869	30,000,000
Reliance Liquidity Fund-DDR	-	-	6,023,304	60,263,758
Reliance Dynamic Bond Fund Growth Plan	1,288,502	20,000,000	-	-
SBI MF SHF Liquid Plus Fund	4,417	4,420	63	4,230
SBI Dynamic Bond Fund Growth	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	32,709,530	328,259,762
Tata Fixed Income Port Folio Fund-42	-	-	1,000,000	10,000,000
Reliance Money Manager Fund IP	49,107	49,096,269	-	-
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	-	-
		609,880,185		492,179,614
Less : Provision for diminution in Value of Investments		796,991		-
		609,083,194		492,179,614

Note Particulars No

2.16 INVENTORIES:

	As at March 31, 2013	As at March 31, 2012
1 Raw Materials	144,964,808	133,463,475
2 Work in Process	43,981,870	43,585,913
3 Work in Process - Stock in Transit	7,972,818	-
4 Finished Goods	29,703,568	16,812,371
5 Store and Spares	32,874,908	10,761,925
6 Others (Scrap)	890,916	614,963
	260,388,888	205,238,647

2.17 TRADE RECEIVABLES:

(Unsecured Considered Good)

Debts outstanding for a period not exceeding six months from the date they are due for payment

720,653,241	922,908,494
720,653,241	922,908,494

2.18 CASH AND CASH EQUIVALENTS :

BALANCE WITH BANKS IN FIXED DEPOSITS

- Held as margin money or security against borrowings

In Current Accounts	60,726,677	3,753,373
Dividend Accounts	5,340,786	4,831,321
Cash in Hand	267,460	330,787
	67,760,408	10,080,481

2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

Note Particulars No	As at March 31, 2013	As at March 31, 2012
2.19 SHORT TERM LOANS AND ADVANCES:		
(Unsecured Considered Good)		
Balance with Government Authorities		
CENVAT / Service Tax Credit	14,604,285	20,126,314
Excise duty - current account	2,839,849	-
VAT / Sales tax credit	1,240,389	990,814
Income Tax (net of provision)	6,774,610	7,624,246
	<u>25,459,133</u>	<u>28,741,374</u>
Others		
Loans and advances to Employees	616,251	388,900
Advance to Suppliers	2,433,166	12,681,741
Prepaid Expenses	6,171,095	6,986,978
Others	6,360,849	5,913,637
	<u>15,581,361</u>	<u>25,971,256</u>
	<u>41,040,494</u>	<u>54,712,630</u>

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Note Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
2.20 Revenue from Operations		
Sale of Products	7,751,411,848	7,282,187,605
Other Operating Revenues	48,289,793	39,666,054
	<u>7,799,701,641</u>	<u>7,321,853,659</u>
Less: Excise Duty	626,376,715	523,245,708
Revenue from Operations (Net)	<u>7,173,324,926</u>	<u>6,798,607,951</u>
Product wise details		
Mufflers	7,017,678,997	6,485,044,035
Motorcycle Rims	293,836,414	366,196,163
Scooter Wheels	279,697,832	215,643,131
Other Components	160,198,605	215,304,276
	<u>7,751,411,848</u>	<u>7,282,187,605</u>
2.21 Other Income:		
Interest Income:		
- Interest from Fixed Deposit	965,137	39,458
- Interest from Others	1,004,459	314,201
Dividend Income:		
- From Current Investments	33,986,972	26,766,856
- Cash Discount received	5,593,783	5,668,065
Other Non-Operating Income (net of expenses directly attributable to such income)		
- Profit on Sales of Fixed Assets (Net)	-	2,481,442
- Liability / Provisions no longer required written back	780,813	544,263
- Prior period items (net)	575,396	-
- Miscellaneous Income (refer note no. 2.28 P)	19,630,322	560,671
	<u>62,536,882</u>	<u>36,374,956</u>



NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Note	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
2.22	Cost of Materials Consumed:		
	Purchases of Raw Materials and Packing Materials	5,540,425,779	5,195,185,434
	Add: Opening Balance of Stock	134,078,438	108,075,116
		<u>5,674,504,217</u>	<u>5,303,260,550</u>
	Less: Closing Balance of Stock	144,964,808	134,078,438
	Consumption of Materials	<u>5,529,539,409</u>	<u>5,169,182,112</u>
	Product wise details		
	CR and SS Strips	1,031,758,785	951,435,837
	Nickel	203,797,538	229,731,249
	Catalytic Converter	1,522,116,325	1,243,263,703
	Paint & Chemicals	280,585,102	258,266,627
	Components and BOPs	2,297,573,781	2,310,876,105
	Others	193,707,878	175,608,591
		<u>5,529,539,409</u>	<u>5,169,182,112</u>
2.23	Changes in Inventories of Finished Goods and Work in Progress		
	Finished Goods		
	At the beginning of the Accounting Period	16,812,371	11,389,805
	At the end of the Accounting Period	29,703,568	16,812,371
		<u>(12,891,197)</u>	<u>(5,422,566)</u>
	Work in Progress		
	At the beginning of the Accounting Period	43,585,912	26,511,083
	At the end of the Accounting Period	43,981,870	43,585,913
		<u>(395,958)</u>	<u>(17,074,830)</u>
	Total	<u>(13,287,155)</u>	<u>(22,497,396)</u>
2.24	Employee Benefits Expenses		
	Salaries and Wages	270,474,897	236,728,228
	Contribution to		
	Provident & other Fund	22,008,346	18,614,724
	Superannuation Scheme	3,963,163	2,937,543
	Gratuity	6,462,049	6,689,982
	Other Expenses		
	Staff Welfare Expense	17,058,237	19,058,636
		<u>319,966,692</u>	<u>284,029,113</u>
2.25	Financial Costs		
	Interest Expense	61,120,726	72,232,973
	Other Borrowing Costs	16,879	1,035,413
	Applicable net gain/loss on foreign currency transaction and translation	7,560,874	4,603,895
		<u>68,698,479</u>	<u>77,872,281</u>
2.26	Depreciation and Amortization Expense		
	Depreciation and Amortization Expense	115,879,295	101,877,013
	Less : Capitalised on Account of Tools Manufactured	2,091,727	1,571,715
		<u>113,787,568</u>	<u>100,305,298</u>

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Note Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
2.27 Other Expenses		
<u>Manufacturing Expense :</u>		
<u>Consumption of Stores and Spare Parts</u>		
Opening Stock	8,326,664	10,519,799
Add: Purchases	270,725,995	240,757,118
Total	279,052,659	251,276,917
Less: Closing Stock	32,874,908	8,326,664
	246,177,751	242,950,253
Power and Fuel	163,249,250	159,325,872
Rent	12,861,012	11,510,784
Repairs to Buildings	2,960,290	3,015,906
Repairs to Machinery	8,445,684	10,778,469
Repairs and Maintenance others	6,741,982	6,242,678
Insurance Premium	6,810,208	5,857,376
Rates and Taxes excluding Taxes on Income	5,024,233	5,604,823
Wages to Contractors	114,214,895	103,961,606
Job Work Charges	52,652,355	39,235,865
Freight Inward	7,841,763	10,107,740
Freight and Cartage (Outward)	70,090,275	52,713,834
Loss on Fixed Assets Sold / Discarded (Net)	2,017,516	-
Loss on Sale of Investments (Net)		
- from Current Investments	46,655	-
Diminution of Value of Investment	796,991	-
Miscellaneous Expenses	99,783,625	92,007,455
	799,714,485	743,312,661

2.28 Additional Informations

- A** Addition to Fixed Assets and Capital work in progress during the year included Rs.19,07,935.00 (previous year Rs.Nil) 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.14.61 Lac (Previous Year: Rs.13.44 Lac) on the aforesaid amount till 31st March 2012 is not accounted for.



NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

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.11.69 Crores	Repayable in 20 equal quarterly instalments of Rs.90 Lacs commencing from August, 2011.
Term loan outstanding Rs.4.67 Crores	Repayable in 20 equal quarterly instalments of Rs.27.50 Lacs commencing from June, 2012
Term loan outstanding Rs.5.00 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.16.00 Crores secured by way of mortgage / charge created on 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.10.00 Crores secured by way of mortgage / charge created on Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District-Vadodara, Gujarat.	Repayable in initial two quarterly instalments of Rs. 25 Lacs and remaining 22 quarterly instalment of Rs.65.91 Lacs commencing from December, 2013
Term loan outstanding Rs.12.72 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

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, 2013 as identified to the extent of information available as per following details

	As at March 31, 2013	As at March 31, 2012
The Principal amount and interest due thereon remaining unpaid		
- Principal Amount	17,429,473	23,958,971
- Interest	661,267	740,385
Amount of Interest paid by Company along-with the amounts of payments made beyond the appointed day for the year ending on 31 st March,2013	-	-
Amount of interest due and payable for the period of delay in making payment beyond appointed day during the year	661,267	740,385
Amount of further interest remaining due and payable for earlier year	2,077,770	1,337,386

F In respect of an interest-free LEEP loan availed by the Company 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 instalments 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. 194.00 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.

	(Amount in Rs.) 2012-13	2011-12
Employer's contribution to Provident and other Funds	22,008,346	18,614,724
Employer's contribution to Superannuation Fund	3,963,163	2,937,543

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

ii Defined Benefit Plans

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

	(Amount in Rs.)	
	2012-13	2011-12
	Gratuity (Funded)	Gratuity (Funded)
I Change in benefit obligation		
Opening benefit obligation	41,372,856	33,987,492
Service cost for the year	5,038,983	4,314,078
Interest cost for the year	3,372,560	2,718,999
Actuarial losses / (gains) on curtailments	392,291	1,718,181
Benefits paid	(986,693)	(1,365,894)
Closing defined benefit obligation	49,189,997	41,372,856
II Fair Value of Plan Assets		
Opening fair value of plan assets	25,892,550	22,774,926
Expected Return on Plan Assets	2,481,946	2,097,279
Contribution by employer	2,865,287	2,422,242
Benefits paid	(986,693)	(1,365,894)
Actuarial (loss) / gain on plan assets	(140,161)	(36,003)
Closing balance of fair value of plan assets	30,112,929	25,892,550
III Actual Return on Plan Assets		
Actual return on plan assets	2,481,946	2,061,276
Expected return on plan assets	2,622,107	2,097,279
Actuarial gain / (loss) on plan assets	(140,161)	(36,003)
IV Amount Recognised in the Balance Sheet		
Present value of defined benefit obligation	49,189,997	41,372,856
Plan assets at the end of the period at fair value	30,112,929	25,892,550
Liability recognised in the balance sheet	19,077,068	15,480,306
V Amount Recognised in Statement of Profit and Loss		
Current service cost	5,038,983	4,314,078
Interest on obligation	3,372,560	2,718,999
Expected return on plan assets	(2,481,946)	(2,097,279)
Net actuarial loss / (gain) recognised in the year	532,452	1,754,184
Total included in 'employee benefit expense'	6,462,049	6,689,982
VI Investment Details (% invested)		
Policy of insurance	100%	100%
VII Acturial Assumptions		
Discount rate current	8.00%	8.25%
Rate of return on plan assets current	9.25%	9.00%
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, 2013

Note	Particulars	As at March 31, 2013	As at March 31, 2013
H	The details of provision for warranty claims as under		
	Provision made during the year	8,987,966	1,905,330
	Amount utilised during the year	5,805,561	1,905,330
	Provision at end of the year	3,182,405	-
I	Details of Contingent Liabilities		
I	Unexpired Bank Guarantee (Net of Margin Money)	5,070,515	1,496,000
II	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	90,800,524	6,962,343
III	Estimated amount on Account of pending cases under the Labour Laws	9,553,531	10,554,853
IV	Income Tax Matters in dispute	4,764,957	8,467,627
V	Sales Tax Matters in dispute	3,188,704	5,789,729
VI	Excise Matters	5,901,332	5,901,332
J	Payment to the Auditors as		
	Auditors	1,050,000	560,000
	For Taxation Matters	150,000	90,000
	For Other Services	39,500	-
	Total	1,239,500	650,000
K	Value of Imports Calculated on C.I.F basis by the Company during the financial year in respect of Capital Goods;		
		19,544,470	32,665,447
	Total	19,544,470	32,665,447
L	Expenditure in Foreign Currency during the Financial Year on Account of		
	Professional and Consultation Fees	1,329,849	1,279,202
	Interest	13,365,149	8,665,013
	Foreign Travelling	1,197,862	2,040,769
	Business Promotion	1,721,005	-
	Total	15,892,860	11,984,984
M	Break up of Consumption		
I	Raw Materials;		
	Total Consumption		
	Value	5,529,539,409	5,169,182,112
	% of total	100%	100%
II	Stores and Spare Parts		
	Indigenous		
	Value	246,177,751	242,950,253
	% of total	100%	100%
N	Earning in Foreign Exchange		
I	Export of Goods on FOB basis;	206,755	-
	Total	206,755	-

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

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.1,15,10,784/-)

P Other Income includes Rs.1,83,00,000 (Previous year Rs. Nil) 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

c) Transactions with the related parties during the year :

Nature of Transactions

	For the year ended March 31, 2013	For the year ended March 31, 2012
a) Key Managerial Personnel		
Remuneration	32,047,716	24,056,400
Commission	14,668,747	29,103,815
Balance Outstanding at the end of the year - Payables (Other than Commission)	2,400,000	1,800,000
b) Enterprises which are able to exercise control over the Company		
Dividend Paid	74,806,450	56,104,838

T Figures 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

Surendra Modiani
Partner
Membership No. 47966
Firm Registration No. 112894W

Waghodia
Date : 14th May, 2013

S. K. Sharma
GM (Finance)

Rakesh Johari
Company Secretary

For and on behalf of the Board

Vikram Shah	Director
Mahendra Sanghvi	Director
Ramkisan Devidayal	Director
Sudhir Munjal	Managing Director
Anju Munjal	Whole Time Director
Anuj Munjal	Whole Time Director

Waghodia
Date : 14th May, 2013



CORPORATE GOVERNANCE

Your Company believes that sound corporate governance is critical for enhancing long-term shareholder value and retaining investor trust. Your Company is committed towards transparency in all its dealings and to that end ensures that its performance goals are met with integrity. Good Governance goes beyond working results and financial propriety and is a pre-requisite for attainment of excellent performance.

Governance is moulded in culture of your Company that is built upon core values, beliefs and ethics.

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 number of Non-Executive independent Directors is more than one-half of the total number of Directors. The Board reviews and approves strategy; oversees the actions and results of management to ensure that the long term objectives of enhancing stakeholders' value and other stakeholders' interest are met.

Managing Director and Whole Time Directors are the Executive Directors looking after the day-today management of your Company. The Chairman, 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 2013. 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 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

Four Board meetings were held on May 26, 2012, August 7, 2012, October 29, 2012, & February 12, 2013 in due compliance with the stipulated provisions. The attendance record of members of the Board is given below

Name of Director	Number of Board Meeting held during his / her tenure and attended by him/her		Attendance at last AGM	No. of Outside Directorship held	No. of Committee Membership held	Number of Committee Chairmanship held
	Held	Attended				
Executive Directors						
Mr. Sudhir Munjal	4	4	Yes	None	None	None
Mrs. Anju Munjal	4	4	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	None	None
Mr. Naresh Chawla	4	4	Yes	None	None	None
Mr. Mahendra Sanghvi	4	2	No	2	1	1
Mr. Ramkisan Devidayal	4	4	No	3	5	3
Mr. Sudesh Kumar Duggal	4	3	Yes	1	None	None
Mr. Jal Ratanshaw Patel	4	4	No	5	3	3

d. Director seeking re-appointment

According to the Articles of Association, one-third of the Directors retires by rotation and, if eligible, offers themselves for re-election at the Annual General Meeting of shareholders. Accordingly, Mr. Satyanand Munjal, Mr. Mahendra Sanghvi and Mr. Naresh Chawla will retire in the ensuing Annual General Meeting. Mr. Satyanand Munjal, Mr. Mahendra Sanghvi and Mr. Naresh Chawla of them, being eligible, offer themselves for reappointment.

The Board has recommended the reappointment of Mr. Satyanand Munjal, Mr. Mahendra Sanghvi and Mr. Naresh Chawla.

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, 2013.

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, 2013.

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 appointees(s), their experience, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. Staying abreast with such information is used to review remuneration policies.

b. Remuneration paid/payable to Managing/Executive Directors (Whole-time Directors) for the year ended 31st March, 2013

Following is the remuneration paid/payable to the Executive Directors during the year ended 31st March, 2013.

(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	60,00,000	-	73,99,716	73,34,374	-	2,07,34,089	180
Ms. Anju Munjal	48,00,000	-	58,56,000	44,00,624	-	1,50,56,624	180
Mr. Anuj Munjal	36,00,000	-	43,92,000	29,33,749	-	1,09,25,749	180
Mr. Satyanand Munjal	-	-	-	-	-	-	-
Mr. Vikram Shah	-	-	-	-	2,12,000	2,12,000	-
Mr. Naresh Chawla	-	-	-	-	1,80,000	1,80,000	-
Mr. Mahendra Sanghvi	-	-	-	-	80,000	80,000	-
Mr. Ramkisan Devidayal	-	-	-	-	1,60,000	1,60,000	-
Mr. Sudesh Kumar Duggal	-	-	-	-	60,000	60,000	-
Mr. Jal Ratanshaw Patel	-	-	-	-	80,000	80,000	-

3. Risk Management

Your Company has a well-defined risk management framework in place. Further, your Company has established procedures to periodically place before the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks.

4. Committees of the Board

a. Audit Committee

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 26, 2012, August 07, 2012, October 29, 2012 & February 12, 2013 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 held during tenure	No. of Meetings Attended
Mr. Vikram Shah	Chairman	4	4
Mr. Naresh Chawla	Member	4	4
Mr. Mahendra Sanghvi	Member	4	2
Mr. Ramkisan Devidayal	Member	4	4

Mr. Vikram Shah, the Chairman of the Committee is a Chartered Accountant.

The terms of reference of this committee are wide. 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 & meetings of Executive Directors of the Company.

Two Remuneration Committee meeting were held on May 26, 2012 and August 07, 2012 during the F.Y. 2012-13. The attendance record of the Remuneration Committee is given below

Name of Director	Position held in the Committee	No. of Meetings held	No. of Meetings Attended
Mr. Mahendra Sanghvi	Chairman	2	-
Mr. Satyanand Munjal	Member	2	-
Mr. Naresh Chawla	Member	2	2
Mr. Vikram Shah	Member	2	2

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

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 hold 250 shares & Mrs. Anju Munjal holds 935 shares respectively as on 31st March, 2013.

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 26, 2012, August 07, 2012, October 29, 2012 & February 12, 2013. The attendance record of members of the Shareholder Grievance Committee is given below:

Name of Director	Position held in the Committee	No. of Meetings held during tenure	No. of Meetings Attended
Mr. Naresh Chawla	Chairman	4	4
Mr. Vikram Shah	Member	4	4
Mr. Mahendra Sanghvi	Member	4	2
Mr. Ramkisan Devidayal	Member	4	4

The committee meets as and when required, to inter alia deal with matters relating to transfer of shares and monitor redressal of complaints from shareholders relating to transfers, non-receipt of Balance Sheet, non-receipt of dividends declared etc. With a view to expediting the process of share transfers, necessary authority has been delegated to approve the transfers of shares.



COMPLAINTS / REQUESTS RECEIVED AND REDRESSED DURING 2012-13

Nature of Complaint / Query	Received	Cleared	Pending
1. Inquiry pertaining to non receipt of shares sent for transfer	1	1	-
2. Non receipt of Dividend	66	66	-
3. Dematerialization of shares/ Transmission of shares/ Name deletion	36	36	-
4. Letters received from SEBI / Stock Exchanges / other statutory bodies	5	5	-
5. Loss of shares / Issue of duplicate certificates	9	9	-
6. Request for nominations	-	-	-
7. Exchange new certificate	3	3	-
8. Miscellaneous queries	54	54	-

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

5. Disclosure

a. Disclosure of transactions with Related Parties

During the financial year 2012-13, 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. Disclosure of Accounting Treatment in preparation of Financial Statements.

Your Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rule, 2006 in preparation of its financial statements.

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 violations.

d. Share holder Information

1. Annual General Meeting

Date	August 10, 2013
Day	Saturday
Time	3.30 PM
Venue	Registered Office of the Company: 187, GIDC Industrial Estate, Waghodia – 391760, Dist. Vadodara

2. Dates of Book Closure

August 05, 2013 to August 10, 2013 (both days inclusive)

3. Date of Dividend Payment

On or after August 10, 2013, 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, 2013	On or before Aug 14, 2013
Sep 30, 2013	On or before Nov 14, 2013
Dec 31, 2013	On or before Feb 14, 2014
Mar 31, 2014	On or before May 30, 2014

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 2013-14 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

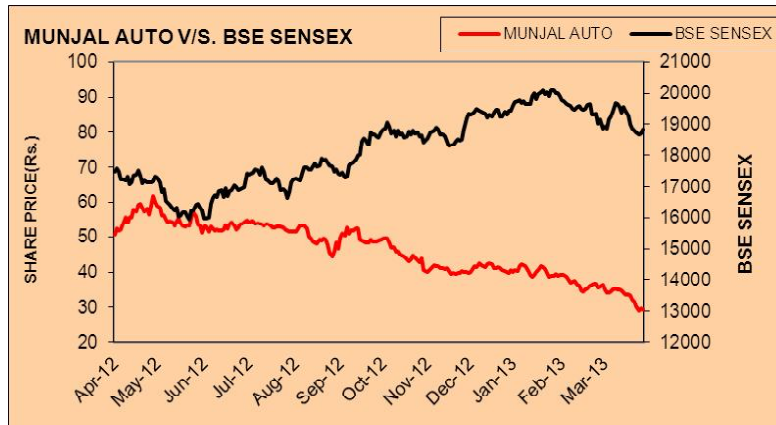
9. Stock Performance

Monthly high and low stock quotations during the financial year 2012-13 on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

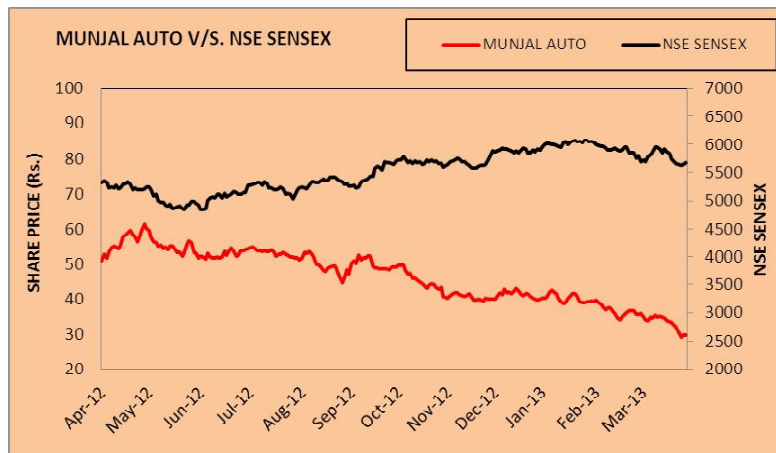
SHARE PRICE DATA (NSE & BSE)

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April 2012	62.20	49.80	270374	62.90	47.95	284582
May 2012	60.90	50.40	112913	62.00	50.10	143497
June 2012	54.95	50.40	75308	55.00	50.55	102797
July 2012	56.70	51.10	128288	57.00	47.55	218100
August 2012	54.00	44.05	457872	55.00	42.65	481369
September 2012	53.30	47.45	372945	53.10	44.55	805882
October 2012	50.20	39.60	194476	50.90	36.45	390425
November 2012	42.45	38.55	71063	42.40	38.45	190924
December 2012	43.75	39.50	90729	43.50	39.25	244489
January 2013	42.90	38.50	171786	42.95	38.35	348499
February 2013	39.85	33.70	132078	39.75	33.70	130798
March 2013	36.30	28.00	102631	36.25	27.50	117142

COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX



COMPANY'S SHARE PRICE MOVEMENT VIS A VIS NIFTY



10. Registrar and Transfer Agent

M/s. MCS 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: mcsLtdbaroda@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 in physical form during the year 2012-13 was 11,750 shares.

12. Distribution of Shareholding as on 31st March, 2013

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, 2013 are given below:

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	6299	68.10	1612895	3.23
501 – 1000	986	10.66	829835	1.66
1001 – 2000	919	9.93	1327814	2.65
2001 – 3000	467	5.05	1179377	2.36
3001 – 4000	104	1.12	374335	0.75
4001 – 5000	146	1.58	705184	1.41
5001 – 10000	182	1.97	1322570	2.65
10001 – 50000	126	1.36	2825620	5.65
50001 – 100000	11	0.12	815731	1.63
100001 & above	10	0.11	39006639	78.01
Total	9250	100.00	50000000	100.00

Shareholding Pattern as on 31st March, 2013

Category	Holders (No.)	No. of Shares held	Voting Strength (%)
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	10500	0.02
- Banks, financial institutions, insurance companies	7	25705	0.05
- Foreign institutional investors	0	0	0
Others			
- Private Corporate bodies	272	1430624	2.86
- Indian public	8827	10879952	21.76
- NRIs / OCBs	139	249994	0.50
- Co-op. Banks, Co-op. Societies, Trust	0	0	0.00
- Shares in transit	0	0	0.00
Total of non promoter holding	9249	12596775	25.19
Grand total	9250	50000000	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, 2013, a total of 4,84,87,155 equity shares of the Company, forming 96.97% 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

187, GIDC Industrial Estate,
Waghodia – 391 760
Dist. Vadodara, Gujarat. India
Tel: +91 2668 262421-26
Fax: +91 2668 262427

Unit II

Plot No.37, Sector 5
Phase II, Growth Centre
Bawal – 123 501
Dist. Rewari, State : Haryana
Tel: (01284) 264434-36

Unit III

Plot No.11, Industrial Park -2
Village :Salempur, Mehdood
Haridwar – 249 402
Dist. Haridwar, Uttarakhand
Tel:(01334)235530/645256-57

16. Address for Correspondence

For queries relating to:

Shares and Dividend

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

Financial Statements

Mr. S.K. Sharma
General Manager(Finance)
Munjal Auto 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, 2010	September 25, 2010	3.00 p.m.	187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat. India	Special Resolution was passed appointment of Mr. Anuj Munjal as Whole Time Director for 5 Years.
Mar 31, 2011	September 24, 2011	3.00 p.m.	- do -	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.

Neither any Special Resolution was passed last year through Postal Ballot nor there any proposal for the time being to pass any Special Resolution 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 they are taken on record 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 informs Stock Exchanges in a prompt manner, all price sensitive information or such other matters, which in its opinion are material & relevant for the shareholders, and subsequently issues a press release on the said matters.

The Company's website www.munjauto.com contains information on the Company and its performance. Presentations to analysts, as and when made, are immediately put on the website for the benefit of the shareholders and the public at large.

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 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, 2013, 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 14, 2013
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 of Munjal Auto Industries Limited for the year ended March 31, 2013, 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 Management. Our examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 representation 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 14, 2013

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 **MUNJAL AUTO
INDUSTRIES LIMITED**

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



MUNJAL AUTO

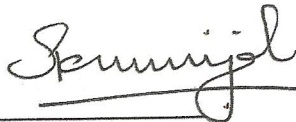


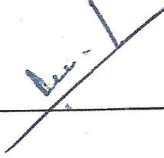
INDUSTRIES LIMITED

Waghodia Plant

FORM A

1 AUG 2013

Format of Covering letter of the annual audit report to be filed with the Stock Exchanges

1	Name of the Company	Munjral Auto Industries Limited
2	Annual financial statement for the year ended	31 st March, 2013
3	Type of Audit observation	Un – qualified
4	Frequency of observation	Not Applicable
5	To be signed by – 1. Shri Sudhir Munjal Managing Director 2. Shri S K Sharma GM (Finance) 3. Shri Surendra Modiani Auditor of the Company 4. Shri Vikram Shah Audit Committee Chairman	   

Corporate office :- 301, 3rd Floor, Galleria Tower, DLF Ph - IV Gurgaon - 122 002, Tel: 91 - 124 - 4057891 - 92, Fax: 91 - 0124 - 4369506
Waghodia Plant/Regd.Office :- 187 GIDC, Industrial Estate, Waghodia - 391 760, Distt. Vadodara (Gujarat), Tel: 91 - 2668 - 262421 - 26, Fax: 91 - 2668 - 262427
Bawal Plant :- Plot no 37, Sector 5, Ph - II, G.C. Bawal-123 501, Distt. Rewari (HR), Tel: 91 - 1284 - 264435 - 36, Fax : 91 - 01284 - 264434
Haridwar Plant :- Plot no - 11, Industrial Park II, Vill. Salempur Mehdood, Distt. Haridwar - 249 402 (Uttarakhand), Tel : 91 - 01334-235530, 32 , Fax : 91 - 01334 - 235533
For more information please mail mail@munjalauto.com or visit us www.munjalauto.com