

MUNJAL AUTO

36th Annual Report & Accounts 2020-21



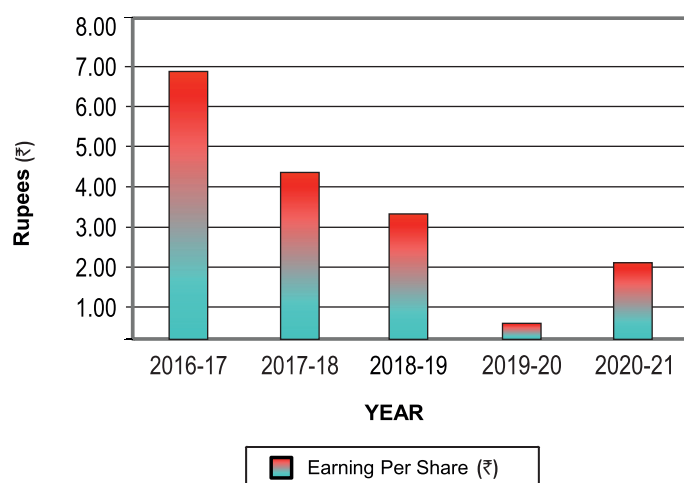
Munjel Auto Industries Limited

FINANCIAL STATISTICS FIVE YEARS' TRACK RECORD

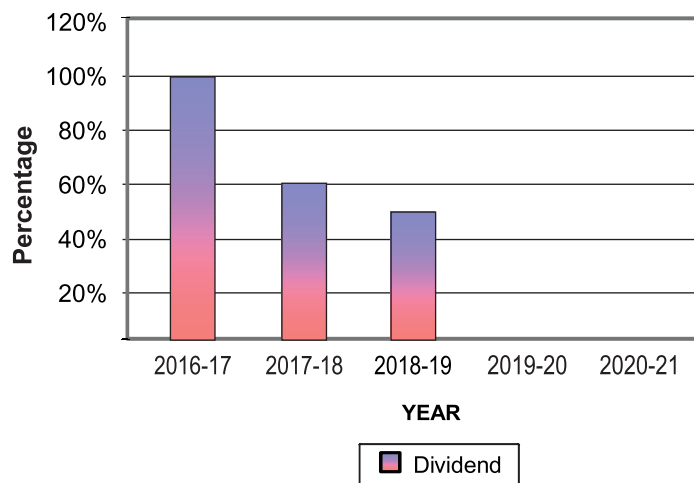
(Amount ₹ in Lakhs)

| | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|--|---------|----------|----------|----------|----------|
| Equity Share Capital | 1,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Reserves & Surplus | 24,287 | 26,265 | 28,116 | 27,374 | 29,536 |
| Deferred Tax Liability / (Assets) | (1,445) | (1,274) | (1,297) | (1,247) | (659) |
| Secured Loans | 4,353 | 2,868 | 2,321 | 8,020 | 6,870 |
| Total External Liability | 14,627 | 18,309 | 20,850 | 33,363 | 39,774 |
| Total Assets | 42,822 | 48,168 | 51,990 | 69,510 | 77,521 |
| Sales | 93,536 | 1,06,087 | 1,15,089 | 1,14,821 | 2,00,328 |
| YoY Growth | -3.73% | 13.42% | 8.49% | -0.23% | 74.47% |
| Profit Before Interest, Depreciation & Tax (PBDIT) | 6,679 | 7,692 | 6,539 | 3,686 | 6,390 |
| Interest | 550 | 433 | 381 | 844 | 867 |
| Depreciation | 1,720 | 1,819 | 1,875 | 2,157 | 2,248 |
| Profit Before Tax | 4,409 | 5,441 | 4,283 | 685 | 3,275 |
| Profit After Tax | 3,455 | 4,159 | 3,325 | 494 | 2,103 |
| Earning Per Share (Nominal value of ₹ 2/- each) | 6.92 | 4.16 | 3.33 | 0.49 | 2.10 |
| Dividend | 100% | 60% | 50% | - | - |

EARNING PER SHARE



DIVIDEND



EPS and Dividend figures of FY 2017-18 onwards are based on 10 Crore Equity Shares i.e. after issue of Bonus Shares in ratio of 1:1 on July 13, 2017.

CORPORATE INFORMATION**Munjal Auto Industries Limited**

CIN: L34100GJ1985PLC007958

BOARD OF DIRECTORS**CHAIRMAN AND MANAGING DIRECTOR**

Mr. Sudhir Kumar Munjal

WHOLE TIME DIRECTORS

Mrs. Anju Munjal

Mr. Anuj Munjal

DIRECTORS

Mr. Vikram Shah

Mr. Naresh Kumar Chawla

Mr. Mahendra Sanghvi

Mr. Ramkisan Devidayal

Mr. Sudesh Kumar Duggal

Mr. Jal Ratanshaw Patel

Ms. Avi Sabavala

CFO

Mr. Brham Prakash Yadav

COMPANY SECRETARY

Mr. Rakesh Johari

AUDITORS

K. C. Mehta & Co.

Chartered Accountants

Meghdhanush, Race Course,

Vadodara - 390007

BANKERS

State Bank of India

IDBI Limited

HDFC Bank Limited

REGISTERED OFFICE & PLANT I

187, GIDC Industrial Estate,

Waghodia - 391760

Dist. Vadodara, Gujarat

PLANT II

Plot No.37, Sector 5, Phase II,

Growth Centre, Bawal - 123501

Dist. Rewari, Haryana

PLANT III

Plot No.11, Industrial Park -2, Village: Salempur,

Mehdood, Haridwar - 249402, Uttarakhand

PLANT IV

Plot No.32A, Industrial Area,

Phase II, Dharuhera - 122106,

Dist. Rewari, Haryana

CORPORATE OFFICEUnitech Business Zone, 2nd Floor,

Tower C, Nirvana Country, South City - 2,

Sector - 50, Gurugram - 122018

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BOARD'S REPORT

Dear Members,

Your Directors are pleased to present 36th Annual Report together with the audited financial statements for the financial year ended March 31, 2021.

1. THE STATE OF COMPANY'S AFFAIRS:

(i) FINANCIAL RESULTS - STANDALONE AND CONSOLIDATED

The Company's financial performance for the year ended March 31, 2021 is summarized below: -

(Amount ₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2021 | Year ended March 31, 2020 |
| Revenue from operations | 1,99,370.50 | 1,13,961.51 | 2,13,438.29 | 1,23,556.71 |
| Other income | 957.44 | 859.98 | 532.62 | 541.87 |
| Total Income | 2,00,327.94 | 1,14,821.49 | 2,13,970.91 | 1,24,098.58 |
| Profit before depreciation, exceptional item and tax | 5,522.71 | 2,842.07 | 7,218.81 | 3,856.13 |
| (Less): Depreciation | (2,247.92) | (2,157.00) | (3,901.11) | (3,149.97) |
| (Less): Exceptional item | - | - | - | (32.56) |
| Profit before Tax | 3,274.79 | 685.07 | 3,317.70 | 673.60 |
| (Less): Taxation | | | | |
| - Current year | (923.72) | (122.52) | (999.20) | (122.52) |
| - Earlier years | (6.46) | (1.90) | (6.46) | (3.78) |
| - Deferred tax | (241.99) | (67.05) | (267.98) | (173.43) |
| Profit after tax | 2,102.62 | 493.60 | 2,044.06 | 373.87 |
| Attributable to: | | | | |
| Shareholders of the Company | 2,102.62 | 493.60 | 2,062.80 | 412.18 |
| Non-controlling interests | - | - | (18.74) | (38.31) |
| Opening balance for retained earnings | 25,522.85 | 26,265.66 | 25,041.81 | 25,860.20 |
| Closing balance for retained earnings | 27,685.05 | 25,522.85 | 27,202.29 | 25,041.81 |
| Earnings per share (in ₹) | 2.10 | 0.49 | 2.04 | 0.37 |

(ii) STANDALONE FINANCIAL HIGHLIGHTS/SUMMARY

During FY 2020-21, total income of the Company was Rs. 2,003 Crores as compared to Rs. 1,148 Crores in FY 2019-20, registering an increase of 74.48%.

Profit before tax and Profit after tax were Rs. 32.75 Crores and Rs. 21.03 Crores respectively during the current year as against Rs. 6.85 Crores and Rs. 4.94 Crores respectively in the previous year.

(iii) CONSOLIDATED FINANCIAL HIGHLIGHTS/SUMMARY

During FY 2020-21, total income of the Company was Rs. 2,140 Crores as compared to Rs. 1,241 Crores in FY 2019-20, registering an increase of 72.44%.

Profit before tax and Profit after tax were Rs. 33.18 Crores and Rs. 20.44 Crores respectively during the current year as against Rs. 6.74 Crores and Rs. 3.74 Crores respectively in the previous year.

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

Revenue from Operations of Indutch Composites Technology Private Limited (ICTPL) was Rs. 140.68 Crores in FY 2020-21 as against Rs. 95.95 Crores in the previous year.

Profit before tax and Profit after tax of ICTPL were Rs. 57.36 Lakhs and (-) Rs. 44.11 Lakhs respectively during the current year as against Rs. 0.11 Lakhs and (-) Rs.108.16 Lakhs respectively in the previous year.

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

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

3. COVID-19 AND ITS IMPACT

The financial year 2020-21 was a highly disruptive and challenging year wherein the auto industry and the entire global economy faced unprecedented times owing to the Covid-19 pandemic. Despite the challenges posed by the pandemic, the Company endeavored to adapt to the changing business needs and continued its growth momentum.

Your Directors have been periodically reviewing with the Management, the impact of Covid-19 on the Company. During the 1st quarter of the year, your Company had to temporarily suspend operations at its plants and other locations as per the directives of the Government, keeping in mind the paramount need of safety of the employees. The Board and the Management will continue to closely monitor the situation as it evolves and do the best to take all necessary measures, in the interests of all stakeholders of the Company.

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

4. DIVIDEND

In order to conserve the resources of the Company for growth especially keeping in view the prevailing volatile economic situation, your Directors have decided not to recommend any

dividend on the equity shares of the Company for the Financial Year ended March 31, 2021.

5. CHANGE IN NATURE OF BUSINESS

During FY 2020-21, there was no change in the nature of Company's business.

6. CAPACITY UTILIZATION & PLANT OPERATIONS

During FY 2020-21, your Company focused on optimizing investments and ensuring business continuity to enhance market share across various platforms.

All four units of the Company located at Waghodia in Gujarat, Bawal as well as Dharuhera in Haryana and Haridwar in Uttarakhand are running well and continue to operate at a satisfactory level of efficiency.

7. CHANGES IN CAPITAL STRUCTURE

The paid-up equity capital as on March 31, 2021, stood at Rs. 20 Crore consisting of 10 Crore Equity Shares of Rs. 2/- each with no change as compared to previous financial year.

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

8. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of applicable provisions of the Act and the Articles of Association of the Company, Mr. Sudhir Kumar Munjal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. His reappointment is recommended by the Nomination and Remuneration Committee. Brief resume and other details of Mr. Sudhir Kumar Munjal, who is proposed to be re-appointed as a Director of your Company, have been furnished in to the notice of the ensuing Annual General Meeting.

During the year under review, your Directors appointed Ms. Avi Sabavala as an Additional Director to hold office up to date of the next Annual General Meeting and as Non-Executive Woman Independent Director for the term of years subject to approval of the members effective from April 01, 2020. Her appointment was subsequently approved by the members at their 35th AGM of the Company held on September 12, 2020.

During the year under review, the Board at its meeting held on September 14, 2020 appointed Mr. Brham Prakash Yadav as the Chief Financial Officer of the Company with effect from October 29, 2020 to take over from Mr. S. K. Sharma as Chief Financial Officer, who retired due to superannuation with effect



from October 28, 2020. Mr. Yadav is commerce graduate and member of the Institute of Chartered Accountants of India and Institute of Cost Accountant of India.

The Board places on record its appreciation for invaluable contribution and guidance during tenure of Mr. S. K. Sharma with the Company.

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

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

10. QUALITY

Your Company is focusing on quality, right from new product development stage such as design of processes, manufacturing of tools, fixtures & dies, to ensure quality output. This is the attribute of your Company which has enabled it to sustain as a consistent quality producer over the years.

11. FINANCE

Your Company continued to focus on operational improvement. Continuing focus on managing optimal levels of inventory, sound business performance, operating efficiencies in various segments of business and cost saving drive across the organization have helped it generating smooth cash flow from operations.

Your Company was able to raise the short-term/long-term funds needed for its working capital related requirements & term loans for new capital expenditure at competitive rates. Your Company continues to enjoy excellent credit ratings for both long and short tenure borrowings and maintains impeccable debt-servicing track record, which helps it retain excellent rapport with all of its bankers.

12. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adheres to the corporate governance requirements set out by SEBI. The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity. The report on corporate governance as stipulated under the Listing Regulations, forms an integral part of the Annual Report.

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

13. TRANSFER TO GENERAL RESERVE

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

14. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company has transferred unpaid/unclaimed dividend amounting to Rs. 12.16 Lakhs for FY 2012-13 and 34,040 shares to the Investor Education and Protection Fund (IEPF) Authority of the Central Government of India.

15. CORPORATE SOCIAL RESPONSIBILITY

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

The amount required to be spent on CSR activities during the year under review in accordance with the provisions of Section 135 of the Act was Rs. 67.58 Lakhs and the Company has spent Rs. 70.00 Lakhs during the financial year.

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

The Company has placed a policy to treat women employees with dignity and no discrimination against them plus zero tolerance towards any sexual abuse to abide by letter and spirit requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under and redressal of complaints of sexual harassment at work place. All employees (permanent, contractual, temporary and trainees) are supposed to adhere to and conduct themselves as prescribed in this policy.

17. DEPOSITS

Your Company has neither accepted nor renewed any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended March 31, 2021.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the FY 2020-21, your Company has not given any guarantees or securities within the meaning of the provisions of Section 186 of the Act.

However, the aggregate of loans and advances granted, as also investments made, if any are within the limits of Section 186 of the Act and have been disclosed in financial statements.

19. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for the financial year ended March 31, 2021 under review;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts for the financial year ended March 31, 2021 on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During FY 2020-21, there were no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. All related party transactions are placed before the Audit Committee for its approval. During the year under review, the Audit Committee approved transactions through the omnibus mode in accordance with the provisions of the Act and Listing Regulations. Related party transactions were disclosed to the Board on regular basis as per Ind AS-24. Details of related party transactions as per Ind AS-24 may be referred to in Note 51 of the Standalone Financial Statements.

21. HOLDING/SUBSIDIARY COMPANY

During the FY 2020-21, Thakurdevi Investments Private Limited (TDIPL) continues to be holding company of the Company, holding 74.81% Equity Share Capital of the Company.

During the FY 2020-21, Indutch Composites Technology Pvt. Ltd. (ICTPL) continues to be subsidiary company. Munjal Auto Industries Limited is continues to hold 68% Equity Share Capital. The annual accounts of subsidiary companies are available on the website of the Company viz. www.munjalauto.com.

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

22. AUDIT COMMITTEE RECOMMENDATIONS

During the FY 2020-21, the Board has accepted all recommendations of Audit Committee and accordingly no disclosure is required to be made in respect of non-acceptance of any recommendation of the Audit Committee by the Board.

23. INTERNAL FINANCIAL CONTROL

The Corporate Governance Policy guides the conduct of the affairs of your Company and clearly delineates the roles, responsibilities at each level of its key functionaries involved in governance. Your Company has in place adequate internal financial controls with reference to the Financial Statements. During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

24. INSURANCE

Your Company's assets are adequately insured against multiple risks from fire, riot, earthquake, terrorism and other risks, which are considered necessary by the Management.

As an additional coverage, a Public Liability Insurance Policy is also in place to cover public liability, if any, arising out of any industrial accidents. The Company has also covered the Directors' and Officers' liability under the Act to meet with any eventuality.

25. RATINGS FOR BORROWING

ICRA, the rating agency has reaffirmed AA- with stable outlook for the long-term bank facilities and A1+ the for short term bank facilities and commercial paper of your Company vide letter dated October 22, 2020. The aforesaid rating is valid till June 30, 2021.

26. AUDITORS

(i) Statutory Auditors

The Company at its 33rd AGM held on August 25, 2018 appointed M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara having Firm Registration No. 106237W, as Statutory Auditors of the Company to hold office till the conclusion of 37th Annual General Meeting. The Company has obtained necessary certificate under Section 141 of the Act conveying their eligibility for being the Statutory Auditors of the Company for the year 2021-22.

(ii) Internal Auditors

M/s Mukund & Rohit, Chartered Accountants, Vadodara, have been appointed as Internal Auditors of the Company



in terms of Section 138 of the Act and rules and regulations, made thereunder for the financial year 2021-22 by the Board of Directors, upon recommendation of the Audit Committee.

(iii) Secretarial Auditors

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

The Secretarial Audit Report for the year 2020-21, given by M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara is attached as 'Annexure B' to this Report.

The Board at its meeting held on June 09, 2021 has re-appointed M/s. Devesh Pathak & Associates, Practising Company Secretaries, Vadodara as Secretarial Auditors for the financial year 2021-22.

27. EXPLANATIONS/COMMENTS ON STATUTORY AUDITORS' REPORT & SECRETARIAL AUDITORS' REPORT

Neither the Statutory Auditors nor the Secretarial Auditors of the Company, in their respective reports, have made any qualifications, reservations, adverse remarks or disclaimers. Accordingly, no explanations/ comments thereon are required to be furnished.

28. AUDIT COMMITTEE

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act read with Regulation 18 of the Listing Regulations. The Chairman of the Audit Committee is an Independent Director. The Audit Committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures the efficiency and effectiveness of the operations of the Company and safeguarding of assets and adequacy of provisions for all liabilities. Further details on the Audit Committee and its terms of reference etc. have been furnished in Corporate Governance Report.

29. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee (NRC) is in line with the Section 178 of the Act read with Regulation 19 of Listing Regulations. The Committee determines overall Company's Policy on remuneration packages and other terms and conditions of the appointment of the Executive Directors and senior management of the Company as well as sitting fees to the Non-Executive Directors of the Company and recommends to the Board of Directors for their consideration and approval. The details of meetings and their attendance are included in the Corporate Governance Report.

30. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders' Relationship Committee (SRC) is in line with the Section 178 of the Act and Regulation 20 of the Listing Regulations. The Committee looks into investors' grievances arising out of issues regarding share transfers, dividends, dematerialization and related matters, evaluating performance and service standards of the Registrar and Share Transfer Agent and takes requisite action(s) to redress the same. The details of meetings and their attendance are included in Corporate Governance Report.

31. REPORTING OF FRAUDS

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

32. EXTRACT OF ANNUAL RETURN

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

33. CODE OF CONDUCT

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

The Company has received affirmations from Board members as well as senior management confirming their compliance with the said Code for FY 2020-21.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place in business practices and dealing with stakeholders. All the Board members and the senior management personnel have confirmed their compliance with the Code. All management personnel are being provided appropriate training in this regard.

34. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

35. PREVENTION OF INSIDER TRADING

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the 'Trading Window' is closed. The Board is responsible for implementation of the code. All Directors and the designated employees have confirmed compliance with the code.

36. BOARD MEETINGS

Four meetings of the Board of Directors were held during the financial year 2020-21. Details of the composition of the Board and its committees and of the meeting held, attendance of the Directors of such meetings and other relevant details are provided in the Corporate Governance Report.

37. RISK MANAGEMENT POLICY

The composition of the Risk Management Committee was not applicable to your Company for FY 2020-21. However, it establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

38. MATERIAL CHANGES AND COMMITMENTS

No material changes and/or commitment affecting the financial position of your Company has occurred between April 1, 2021 and the date of signing of this report. However, in view of the ongoing Covid-19 pandemic, your Company carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. Your Company did not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

39. PARTICULARS OF EMPLOYEES

The Statement of disclosure of remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as 'Annexure C'. There was no employee of the Company except Executive Directors, employed throughout the year, who was in receipt of the remuneration exceeding 1.02 Crore per annum.

40. MANAGEMENT DISCUSSION AND ANALYSIS

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

41. INDUSTRIAL RELATIONS

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

42. ENVIRONMENT, HEALTH, SAFETY AND SOCIAL RESPONSIBILITY

Your Company is committed in maintaining the highest standards of environment compliances and therefore adopted a systematic approach towards environment management by embedding a vision of being an 'Injury Free' and 'Zero Environment Incident' organisation. Over the past many years, your Company has been progressing well in terms of reducing injury frequency rates and has improved the safety records.

Your Company is environment-conscious and committed to making a positive contribution to the communities where it operates. The Company has been proactively pursuing measures and reaching out to the communities surrounding the areas of its operations by extending support and lending a helping hand to some very credible social institutions that are committed to address social causes.

Your Company has been re-certified for Occupation, Health and Safety (OHSAS) 1800:2007 from Bureau Veritas during FY 2018-19, which was valid for up to March 11, 2021. Due to the ongoing pandemic situation during the period of expiry, OHSAS certificate validity was extended globally up to September 30, 2021.

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

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

44. BUSINESS RESPONSIBILITY REPORT

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

45. REMUNERATION POLICY

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



46. STATUTORY DISCLOSURES

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

- i. Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- ii. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii. Issue of shares (including sweat equity shares) to employees of your Company under any scheme.
- iv. Neither the Managing Director nor the Whole-time Director of your Company receives any remuneration or commission from any of its subsidiaries.
- v. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- vi. Buy-back of shares or under Section 67(3).
- vii. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
- viii. No settlements have been done with banks or financial institutions.

47. COMPLIANCES WITH APPLICABLE SECRETARIAL STANDARDS

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

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

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

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

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

ACKNOWLEDGEMENTS

The Board of Directors express their sincere thanks to all of its Stakeholders, including, inter alia, Suppliers, Vendors, Investors and Bankers and appreciation to all its customers for their consistent, abiding support throughout the year.

Your Company also records its appreciation of the contributions made by employees at all levels. Their commitment, cooperation and support are indeed the backbone of all endeavors of the Company.

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

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

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

Date : June 09, 2021
Place : Gurugram

Sudhir Kumar Munjal
Chairman & Managing Director
DIN : 00084080

ANNEXURE 'A' TO THE BOARD'S REPORT
Annual Report on CSR Initiatives for the FY 2020-21
1. Brief outline on CSR Policy of the Company

The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013. The CSR policy, inter alia, covers the concept (CSR philosophy, snapshot of activities undertaken by the group and applicability, scope/area/localities to be covered and activities), resources, identification and approval process (resources/fund allocation, identification process and approval process) modalities of execution and implementation and monitoring.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------------|--|--|--|
| 1 | Mr. Vikram Shah | Chairman, Non-Executive Independent Director | 1 | 1 |
| 2 | Mr. Naresh Kumar Chawla | Member, Non-Executive Independent Director | 1 | 1 |
| 3 | Mr. Sudhir Kumar Munjal | Member, Chairman & Managing Director | 1 | 1 |
| 4 | Mrs. Anju Munjal | Member, Whole Time Director | 1 | 1 |
| 5 | Mr. Anuj Munjal | Member, Whole Time Director | 1 | 1 |

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:

- The composition of the CSR committee is available on our website at: <https://munjalauto.com/vission-mission-values/>
- The CSR Policy of the Company is available on our website at: <https://www.munjalauto.com/wp-content/uploads/2018/08/CSR-Policy..pdf>
- The details of CSR projects are available on our website at: www.munjalauto.com

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - N/A
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---------|----------------|---|--|
| - | - | - | - |
| | Total | - | - |

6. Average net profit of the company as per section 135(5): 33.79 Crores
7. (a) Two percent of average net profit of the company as per section 135(5): 67.58 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): 67.58 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Rs. Lakhs) | Amount Unspent (in Rs. Lakhs) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 70.00 | Nil | - | - | Nil | - |



(b) Details of CSR amount spent against ongoing projects for the financial year: **N/A**

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in Schedule VII to the Act | (4) Local area (Yes/No) | (5) Location of the project | (6) Project duration | (7) Amount allocated for the project (in Rs.) | (8) Amount spent in the current financial Year (in Rs.) | (9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | (10) Mode of Implementation-Direct (Yes/No) | (11) Mode of Implementation-Through Implementing Agency |
|----------------|----------------------------|--|----------------------------|--------------------------------|-------------------------|--|--|---|--|--|
| | | | | State District | | | | | | Name CSR Registration number |
| - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in Schedule VII to the Act | (4) Local area (Yes/No) | (5) Location of the project | (6) Amount spent for the project (in Rs.) | (7) Mode of Implementation-Direct (Yes/No) | (8) Mode of Implementation-Through Implementing Agency |
|----------------|---|---|----------------------------|--------------------------------|--|---|---|
| | | | | State District | | | Name CSR Registration number |
| 1 | Education and Health care | Special Education, medical intervention including preventive health care in Disability/ Social Sector | Yes | Gujarat, Vadodara | 5,00,000 | No | Disha Charitable Trust CSR00004073 |
| 2. | Mahatma Satyanandji Munjal Apathic, Ayurvedic, Homeopathic Clinic | Health improvement | Yes | Gujarat, Sabarkantha | 65,00,000 | No | Vanprastha Saadhak Ashram CSR00006987 |
| | Total | | | | 70,00,000 | | |

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **N/A**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **70 Lakhs**

(g) Excess amount for set off, if any:

| Sl. No. | Particular | Amount (in Rs. Lakhs) |
|---------|---|-----------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 67.58 |
| (ii) | Total amount spent for the Financial Year | 70.00 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 2.42 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 2.42 |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years (in Rs. Lakhs) |
|---------|--------------------------|--|--|--|----------------|------------------|---|
| | | | | Name of the Fund | Amount (in Rs) | Date of transfer | |
| 1. | 2019-20 | - | - | - | - | - | - |
| 2. | 2018-19 | - | - | - | - | - | - |
| 3. | 2017-18 | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - |

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **N/A**

| (1) Sl. No. | (2) Project ID | (3) Name of the Project | (4) Financial Year in which the project was commenced | (5) Project duration | (6) Total amount allocated for the project (in Rs.) | (7) Amount spent on the project in the reporting Financial Year (in Rs) | (8) Cumulative amount spent at the end of reporting Financial Year (in Rs.) | (9) Status of the project - Completed / Ongoing |
|----------------|-------------------|----------------------------|--|-------------------------|--|--|--|--|
| - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(a) Date of creation or acquisition of the capital asset(s): **N/A**

(b) Amount of CSR spent for creation or acquisition of capital asset: **N/A**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **N/A**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **N/A**

No capital asset was created / acquired during FY 2020-21 through CSR spend.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **N/A**

For and on behalf of the Board of Directors

Munjal Auto Industries Limited

Sd/-

Mr. Sudhir Kumar Munjal
Chairman & Managing Director
DIN: 00084080

Sd/-

Mr. Vikram Shah
Chairman-CSR Committee
DIN : 00007914

Place : Gurugram
Date : June 09, 2021



ANNEXURE 'B' TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification (electronically only in view of Covid-19 advisories) of the MUNJAL AUTO INDUSTRIES LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined (electronically only in view of Covid-19 advisories) the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.]
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [presently: The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Presently: The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [presently: The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]
- (vi) Having regard to the products and processes of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof **on test check basis, we further report that** the Company has complied with the following laws applicable specifically to the Company:

- (a) The Environment (Protection) Act, 1986
- (b) The Air (Prevention And Control of Pollution) Act, 1981
- (c) The Water (Prevention and Control of Pollution) Act, 1974
- (d) The Hazardous Wastes (Management and Handling and Transboundary Movement) Rules, 1989
- (e) Indian Boiler Regulations Act, 1950
- (f) The static and Mobile Pressure Vessels (unfired) Rules, 1981 [SMPV(U) Rules]
- (g) Indian Explosives Act, 1884
- (h) The Factories Act, 1948
- (i) The Industrial Dispute Act, 1947
- (j) The Payment Of Wages Act, 1936
- (k) The Minimum Wages Act, 1948
- (l) The Employees State Insurance Act, 1948
- (m) The Employees' Provident Fund And Miscellaneous Provisions Act, 1952
- (n) The Payment Of Bonus Act, 1965
- (o) The Payment Of Gratuity Act, 1972
- (p) The Contract Labour (Regulation And Abolition) Act, 1970
- (q) The Maternity Benefit Act, 1961
- (r) The Child Labour (Prohibition And Regulation) Act, 1986
- (s) The Industrial Employment (Standing Orders) Act, 1946
- (t) The Employees' Compensation Act, 1923 (Earlier Known As Workmen's Compensation Act, 1923)
- (u) The Apprentices Act, 1961
- (v) The Equal Remuneration Act, 1976
- (w) The Employment Exchange (Compulsory Notification Of Vacancies) Act, 1956
- (x) Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd [including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR')]

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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



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

- (a) not issued any securities during the period under review and accordingly
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008were not applicable during the audit period under review.
- (b) not issued any stock options to the employees and accordingly The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 were not applicable.
- (c) neither got delisted Equity Shares nor bought back any security of the Company and accordingly
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 were not applicable during the audit period.
 - The members of the Company at their 35th Annual General Meeting held on September 12, 2020 passed an Ordinary Resolution approving Appointment of Ms. Avi Kersi Sabavala (DIN: 08246256) as an Independent Woman Director w.e.f. April 01, 2020, pursuant to Regulation 17(1)(a) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

Date : June 09, 2021

Place : Vadodara

For Devesh Pathak & Associates
Practising Company Secretaries

CS Devesh A. Pathak

Partner

FCS: 4559

CP No. 2306

UDIN : F004559C000441809

ANNEXURE 'C' TO THE BOARD'S REPORT

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| S.N. Particulars | | | | | |
|------------------|--|---|---------|----------------|------------------------------|
| i. | The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year | Executive Directors | | | |
| | | CMD | WTD | WTD | |
| | | 84 | 74 | 74 | |
| | | X | X | X | |
| ii. | The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manger, if any of the Financial Year | Executive Directors | | | KMPs |
| | | CMD | WTD | WTD | CFO CS |
| | | -22.84% | -22.84% | -22.84% | -6.15% -8.16% |
| iii. | The % increase in the median remuneration of employees in the financial year | 2.33% | | | |
| iv. | The number of permanent employees on the rolls of Company | 946 | | | |
| v. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | % Increase in | | 2020-21 | Justification/Remarks |
| | | Salaries of Employees | | -1.15% | - |
| | | Managerial Remuneration | | -22.84% | - |
| | | | | | |
| vi. | Affirmation that the remuneration is as per the remuneration policy of the Company. | It is hereby affirmed that the remuneration is in line with the remuneration policy of the Company. | | | |



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

OUTLOOK

(i) Global Economy Overview

A strong pace of vaccination across countries has raised hopes of recovery in 2021, post an estimated 3.3% contraction in global economy in 2020. The Covid-19 pandemic affected growth across nations, even though some positive factors limited the overall impact, during 2020. China's quick recovery, followed by better-than-expected recoveries in the second half of the year for most regions, helped mitigate some of the negative impact of the pandemic, as lockdowns eased and the world adapted to new ways of doing business. However, the subsequent second and third Covid-19 infection waves necessitated renewed restrictions in many countries. This stop-go rhythm meant that recovery was uneven and far from complete. The global economy is projected to grow at 6% in 2021, on a lower 2020 base. Growth will continue to be moderate at 4.4% in 2022, backed by additional fiscal support in a few large economies, coupled with anticipated recovery in the public health situation considering that vaccination has picked up pace in recent quarters.

(ii) Indian Economy Overview

India's economic growth fell abysmally in FY 2020-21, impacted seriously by the lockdown imposed in the initial period of the COVID-19 outbreak. However, slow tapering of the mobility and lockdown restrictions, along with pent-up demand, festive spending and Government stimulus, led to robust recovery in the second half of the fiscal. Over the last two quarters, low base, restocking, healthy monsoons and higher discretionary spends resulted in heightened economic activity, which was led by agriculture, power and the manufacturing sectors. Cheaper interest rates further helped in spurring consumption. Lesser imports and an accelerated pick-up of agricultural and pharmaceutical exports, also added positivity to the economic scenario.

(ii) Future Outlook

According to the World Bank, India's GDP is expected to grow 8.3% in FY 2021-22, down from its earlier projection of 10.1%, with the enormous second Covid-19 wave undermining the sharper-than-expected rebound in activity seen during the second half of FY 2020-21, especially in services. Economic activity is expected to benefit from strong policy support, including higher spending on infrastructure, rural development and health and a stronger-than-expected recovery in services and manufacturing sectors. The second wave of Covid-19 led to slowdown in economic growth due to localised short-term mobility restrictions. The slowdown in economic activity in the second wave is expected to be followed by recovery, as had happened after the

first wave. Strong rebound in private consumption and the investment growth witnessed in the second and third quarters of FY 2020-21, are expected to support the economy. Public consumption, pent-up private demand, significant pick-up in investment, and a large government capital expenditure push are expected to play a significant role in economic recovery.

INDUSTRY STRUCTURE AND DEVELOPMENTS

(i) Global Automobile Industry

Following a decline from 2018 to 2020, the global auto sector underwent stagnation during the first wave of Covid-19. However, as global demand showed signs of recovery, the growth returned in CY 2021. This being said, the pace of recovery has been uneven, with China leading the demand charts, and North America and Europe following. The demand in CY 2021 is estimated to grow at +10.1% YoY with solid recoveries in the US and China region, while maintaining a cautious stance on Europe, followed by +5.5% YoY and +3.0% YoY in CY 2022 and CY 2023 respectively. The global auto sales will expand by 8-10% in 2021 to 83 million-85 million units, up from 77 million in CY 2020. The market share of electric vehicles (including plug-in hybrids) is expected to increase in CY 2021 to a 6-8%, after comprising a 4.4% share in CY 2020 and 2.5% in CY 2019. The European market will drive this growth.

(i) Indian Automobile Industry

The automotive sector is an integral part of the Indian economy. Having faced disruptions and slowdown during the recent pandemic, automobile (auto) sales across segments in India – the world's fifth largest market – slipped to a 6-year low in FY 2020-21. A deep structural slowdown in the industry even before the pandemic was already at work before the Covid-19 catastrophe, which agitated the growth capacity, and pushed all vehicle segments back by many years. In order to overcome the unprecedented challenges faced in CY 2020, the auto industry has shifted its focus to going digital, which could help serve customers, reduce costs, and structure their manufacturing processes. An interesting diversion to note would be the post-lockdown months, to be specific Q3 of FY 2020-21, which recorded higher sales numbers, given the pent-up demand in the personal mobility sector.

(iii) Auto components industry

Auto-components industry account for 2.3% of India's Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly. A stable government framework, increased purchasing power, large domestic market and an ever-increasing development in infrastructure have made India a favourable destination for investment. The organised segment

of the industry including OEM, is largely engaged in the manufacturing of high-value precision instruments, while the unorganised segment comprises of low-value products catering to after-market services. The industry is highly fragmented, with most firms being Indian businesses and very limited foreign firms and JVs operating in the segment. The Indian auto component industry, being a critical part of the OEM value chain, is expected to record a subdued growth due to muted demand in FY 2020-21 and aggravation following the pandemic. However, as per the data from ACMA, the auto parts industry has degrown less than the vehicle industry in FY 2020-21. Further the industry

is anticipated to witness significant improvement on a sequential basis and register strong growth in FY 2021-22.

COMPANY'S FINANCIAL PERFORMANCE

During FY 2020-21, total income of the Company was Rs. 2,003 Crores as compared to Rs. 1,148 Crores in FY 2019-20, registering an increase of 74.48%.

Profit before tax and Profit after tax were Rs. 32.75 Crores and Rs. 21.03 Crores respectively during the current year as against Rs. 6.85 Crores and Rs. 4.94 Crores respectively in the previous year.

(i) Key Financial Ratios

As required under Regulation 34 of the Listing Regulations, Details of changes are:

| Particulars | FY 2020-21 | FY 2019-20 | Change (in %) | Remarks - 2020-21 |
|----------------------------------|------------|------------|---------------|---|
| Debtors turnover ratio-times | 6.36 | 5.73 | 10.99 | The ratios in the current year have improved compared to the previous year, mainly on account of increased topline compared to previous year. |
| Inventory turnover ratio - times | 35.60 | 17.72 | 100.91 | The ratios in the current year have improved compared to the previous year, because of decrease in average inventory level in comparison to cost of goods sold. |
| Interest coverage ratio - times | 4.77 | 1.81 | 163.44 | Interest coverage ratio was improved due to reduction in borrowing and decrease in interest rate by Banks. |
| Current ratio - times | 1.24 | 1.16 | 6.89 | Overall the trade receivables and trade payables of the Company has increased owing to the BS VI pricing premium. |
| Debt equity ratio - times | 0.17 | 0.27 | 37.03 | Debt equity ratio has been improved due to reduction in borrowing. |
| Operating Profit margin (%) | 2.07 | 1.34 | 115.28 | The ratios in the current year have improved compared to the previous year, primarily reflecting better operational performance and reduction in borrowing. |
| Net Profit margin (%) | 1.05 | 0.43 | 144.19 | The ratios in the current year have improved compared to the previous year, primarily reflecting better operational performance and reduction in borrowing. |
| Return on net worth (%) | 6.66 | 1.68 | 296.43 | The ratios in the current year have improved compared to the previous year, primarily reflecting better operational performance and reduction in borrowing. |

HUMAN RESOURCE DEVELOPMENT

The Company follows global best practices and strives to offer employee-friendly policies that support the overall growth and development of employees. The policies, practices and procedures focused on inclusivity and remote working, during the year under review. It also laid emphasis on the safety and wellbeing of employees and their families.

The Company has always strived to attract the best talent, provide invigorative work environment, retain achievers and outstanding performers and to inculcate in the employees commitment for the

organization. Raising employees' involvement in the decision making process and grooming them for leadership positions has been an ongoing process. Industrial relations and work atmosphere remained cordial throughout the year with sustained communication and engagement with workforce through various forums. Employees' strength as on March 31, 2021 was 946.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board is accountable for evaluating and approving the effectiveness of the internal controls, including financial, operational and compliance controls. Company has a proper and adequate internal control system



to ensure that all its assets are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded.

Your Company has deployed a robust Enterprise Resource Planning ("ERP") system based on SAP platform enabling a high degree of system-based checks and controls ensuring protection of its assets and interests. The governance risk and compliance framework further ensure that internal controls are effective and complied with. The audit findings and management's resolution plans are reported on a quarterly basis to the Audit Committee by the internal auditor. The internal auditor of your Company also reports to the Audit Committee in respect of adequacy of internal control systems and weaknesses, if any. Furthermore, the statutory auditor reports on the adequacy and effectiveness of the internal financial controls in respect of financial reporting.

OPPORTUNITIES & THREATS

The Covid-19 pandemic is causing paradigm shifts in consumer behavior affecting many industries including the automobile Industry. Social distancing norms followed across the globe due to Covid-19, could become the new normal. People may move away from use of shared / public transport solutions. This changed preference would lead to enhanced need for a personal mobility solution. This could emerge as an area of opportunity for two wheelers.

The move towards alternative-energy based mobility solutions is needed and has been receiving considerable policy support. In light of the revised priorities post Covid-19, the speed and extent of the policy support may alter, modifying the rate of change.

RISK AND CONCERNS

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the Company to identify, categorise and prioritise operational, financial and strategic business risks. To address the identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks. The global pandemic caused by the corona virus comes at time when both the Indian economy and the

automotive industry were hoping for recovery. Covid-19 has impacted all stakeholders in the value chain who had experienced both short and medium term impact. This includes shortage of raw material, shifting of production to other countries, liquidity crunch to delays in availability of models, deferred launches and shrinkage in consumer demand.

The India automotive industry has already seen difficult past few quarters and this pandemic led lockdown couldn't have been more ill-timed. However, a planned and concerted response, both immediate and medium to long term will ensure a V shape recovery.

The Company is taking all necessary measures in terms of mitigating the impact of challenges being resilient in order to sail through the current situation. It is focused on controlling the fixed costs, maintaining liquidity and closely monitoring the supply chain to ensure that the manufacturing facility operate smoothly.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the markets, exchange rate variations, global economic, social & demographic factors, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

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

Sudhir Kumar Munjal

Chairman & Managing Director

DIN : 00084080

Date : June 09, 2021

Place : Gurugram

ANNEXURE 'E' TO THE BOARD'S REPORT**Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo
[Particulars pursuant to the Companies (Accounts) Rules, 2014]****A. Conservation of Energy and Technology Absorption**

Your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources. Your Company has taken various initiatives as listed below, for energy conservation and preserving natural resources:

- Programs for improving energy efficiency and energy productivity across all operations;
- Rainwater harvesting, reduce usage, reuse, and recycle water;
- Domestic sewage treatment and recycling facilities are a part of design in all its units towards becoming zero water discharge;
- Creating awareness and promote sustainability amongst stakeholders.

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

2. Foreign Exchange Earnings and outgo

Foreign Exchange earnings and outgo during the year under review are as follows:

| (Amount ₹ in Lakhs) | | |
|-------------------------------|---------|---------|
| | 2020-21 | 2019-20 |
| (a) Foreign Exchange Earnings | 16.90 | 71.60 |
| (b) Foreign Exchange Outgo | 46.60 | 210.63 |



ANNEXURE 'G' TO BOARDS' REPORT

Business Responsibility Report [pursuant to Regulation 34(2)(f) of the Listing Regulations]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|------|---|--|
| 1 | Corporate Identity Number (CIN) of the Company | L34100GJ1985PLC007958 |
| 2 | Name of the Company | Munjal Auto Industries Limited |
| 3 | Registered address | 187, GIDC Industrial Estate, Waghodia, Vadodara, Gujarat – 391760 |
| 4 | Website | www.munjalauto.com |
| 5 | E-mail id | cs@munjalauto.com |
| 6 | Financial Year reported | 2020-21 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Category: Manufacture of diverse parts and accessories for motor vehicles NIC Code: 29301 |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | <ul style="list-style-type: none"> - Exhaust systems for two wheelers - Spoke rims/Steel Wheel Rims for two wheelers - Fuel Tanks and BIW parts of four wheelers |
| 9 | Total number of locations where business activity is undertaken by the Company | <p>We have manufacturing plants in 4 locations in the country:</p> <p>State/Union Territory: Location</p> <p>Haryana: Dharuhera & Bawal</p> <p>Uttarakhand: Haridwar</p> <p>Gujarat: Vadodara</p> |
| 9(a) | Number of International Locations | Nil |
| 9(b) | Number of National Locations | Four |
| 10 | Markets served by the Company – Local/State/National/ International | The Company has PAN India market presence through its plants. |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|--|
| 1 | Paid up Capital | ₹ 20 Crores |
| 2 | Total Turnover | ₹ 2,003 Crores |
| 3 | Total profit after taxes | ₹ 21.03 Crores |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Please refer Annexure on CSR activities annexed to the Board's Report. |
| 5 | List of activities in which expenditure in 4 above has been incurred | Please refer Annexure on CSR activities annexed to the Board's Report. |

SECTION C: OTHER DETAILS

| | | |
|---|--|---|
| 1 | Does the Company have any Subsidiary Company/ Companies? | Yes, as on March 31, 2021, Company has one subsidiary namely Indutch Composites Technology Private Limited |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | The subsidiary company is not required to comply with the Business Responsibility as per the laws applicable to them. |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No |

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR**

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

DIN : 02714266
Name : Mr. Anuj Munjal
Designation : Whole Time Director

(b) Details of the BR head

| Sr. No. | Particulars | Details |
|---------|------------------|---------------------|
| 1 | DIN | 02714266 |
| 2 | Name | Mr. Anuj Munjal |
| 3 | Designation | Whole Time Director |
| 4 | Telephone Number | 02668-262421/22 |
| 5 | Email Id | cs@munjalauto.com |

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policies:

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle Principle

Principle 3 : Businesses should promote the well-being of all employees

Principle 4 : Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5 : Businesses should respect and promote human rights

Principle 6 : Businesses should respect, protect, and make efforts to restore the environment

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8 : Businesses should support inclusive growth and equitable development Principle

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|---|----|----|----|----|----|----|----|----|
| 1 | Do you have a policy/ policies for | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | All the policies have been formulated in consultation with the internal stakeholders of the Company. The external stakeholders are being consulted as per business requirements and on need basis. | | | | | | | | |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | The policies adopted by the Company are in conformity with the applicable statutory laws, rules and regulations. | | | | | | | | |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | All the policies have been approved by the Management of the Company and are approved by the Board wherever statutorily required. | | | | | | | | |
| 5 | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | The Board of Directors have appointed Mr.Anuj Munjal, Executive Director of the Company to oversee the implementations of the policies. | | | | | | | | |
| 6 | Indicate the link for the policy to be viewed online? | All the policies which are statutorily required are hosted on the website of the Company i.e. www.munjalauto.com . The access to the other policies is available to the employees and concerned stakeholders on need basis. | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | The policies have been formally communicated to key internal stakeholders. The external stakeholders are being communicated on website/need basis. | | | | | | | | |
| 8 | Does the Company have in-house structure to implement the policy/ policies | Yes | | | | | | | | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Yes | | | | | | | | |
| 10 | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | The working of the Policies is assessed under the Internal Audit Function. | | | | | | | | |

(b) If answer to the question at serial number (b) against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|----|----|----|----|----|
| 1 | The Company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |
| 3 | The Company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4 | It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| 5 | It is planned to be done within the next 1 year | - | - | - | - | - | - | - | - | - |
| 6 | Any other reason (please specify) | - | - | - | - | - | - | *1 | - | - |

* 1.The Company need not formulate policy as their grievances, suggestions are fairly represented by the Trade Association in which the Company is a member.

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors will assess the BR Performance on annual basis.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report of the Company will be hosted on the website of the Company i.e. www.munjalauto.com under Investor Relations section.

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

The ethics, bribery and corruption are covered under the Code of conduct and HR Policy of the Company. The code and policies cover only the Company. It does not extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Company was not in receipt of any complaint during the past financial year.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company's R & D team is constantly carrying out research of product and processes to improve quality of product, life and performance keeping in view social/environmental concerns/risks and/or opportunities.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- a. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Value Engineering helps to reduce raw material consumption.

- b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company as a responsible corporate citizen always strives to ensure utilization of resources in effective and efficient manner. Efforts are being taken for leveraging water conservation, energy efficiency, lesser fuel consumption and sustainable use of renewal sources. It is not feasible to measure the usage of energy, fuel, water by consumers.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

- a. **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company at working level focus on sustainable resourcing. Company's plants are strategically located near to its customers and suppliers which results in easy accessibility of material to customer and also reduction in freight movement on longer routes.

- b. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company continuously identifies local and small producers in nearby locations of plants. The Company encourage local sourcing which confirm to desirable parameters and product samples after quality test. The Company periodically does review of its suppliers for their continuous improvement. Improvement points are also communicated to the supplier in the diligence activities.

4. **Does the company have a mechanism to recycle products and waste ? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company always ensure and take efforts for natural resource conservation, reuse, recycle, waste minimization.



Principle 3

1. Please indicate the Total number of employees.

2,224 (Including contract workers & Apprentices)

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

(Contractual workers - 1,278)

3. Please indicate the Number of permanent women employees.

Employees - 6

4. Please indicate the Number of permanent employees with disabilities

Employees - 1

5. Do you have an employee association that is recognized by Management.

- Munjal Auto Group Majdoor Union Bawal (HR) affiliated with (CITU)
- Munjal Kamdar Union – Waghodia, Vadodara Plant

6. What percentage of your permanent employees is members of this recognized employee association?

96%

7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year

| Sr. No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---------|--|--|--|
| 1. | Child labor/forced labor/involuntary labor | - | - |
| 2. | Sexual harassment | - | - |
| 3. | Discriminatory employment | - | - |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

A formal training program is in place for all categories of employees. The focus on training includes safety and skill development besides other aspect. All employees irrespective of any category are given training as per requirement.

- (a) Permanent Employees : 75%
- (b) Permanent women Employees : 80%
- (c) Casual/ Temporary/ Contractual Employees : 81%
- (d) Employee with disability : 100%

Principle 4

1. Has the Company mapped its internal and external stakeholders ? Yes/No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company has identified disadvantaged, vulnerable & marginalized stakeholders from the local community and the work force. The Company has also engaged them for their socio-economic development through various CSR initiatives. The social development among disadvantaged, vulnerable & marginalized people are being ensured through awareness and sensitization programs, skill development programs, educational help, medical aid etc.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The programs under the CSR initiatives undertaken by the Company are focused primarily on those sections of the communities which are poor, needy, disadvantaged, vulnerable and marginalized.

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

The Company has HR Policy through which it endeavors to protect Human Rights at workplace. The Company's procedures and practices always strives to protect Human Rights even within the organization and all activities undertaken through Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint has been received in the past financial year.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/others.**

The Environment, Health and Safety Policy covers only the Company. However, the Company always ensure environment friendly and safe business practices while working within the organization and with every actions taken through Group/Suppliers/NGOs/others.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

As a responsible corporate citizen, Company always ensures environmental protection. The Company continuously strives to minimize the environmental impact for reducing its own operational environmental footprint. The CSR initiatives taken by the Company forms the integral part of the annual report also available on the website of the Company at www.munjalauto.com.

3. **Does the Company identify and assess potential environmental risks?**

Yes, potential environmental risks are identified in conformity with all applicable environmental laws. All necessary steps are being ensured for mitigating risk. The Company has been re-certified for Occupation, Health and Safety (OHSAS) 18001:2007 from Bureau Veritas during FY 2018-19, which is valid up to March 11, 2021. Due to the ongoing pandemic situation during the period of expiry, OHSAS certificate validity was extended globally up to September 30, 2021.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Currently the Company does not have any Clean Development Mechanism (CDM) project.

5. **Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company always works on resource optimization, water and electricity conservation and waste reduction to reduce its environmental footprints. The Company has undertaken initiatives for usage of solar power through solar panels, solar lights towards energy efficiency.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

7. **Number of showcase/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause/ legal unresolved notices from CPCB/ SPCB are pending as on March 31, 2021.

Principle 7

1. **Is your Company a member of any trade and chamber or association ? If Yes, Name only those major ones that your business deals with:**

The names of major associations are as follows:

- Confederation of Indian Industry
- Automotive Component Manufacturers Association of India (ACMA)
- Federation of Gujarat Industries (FGI)



2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.**

No

Principle 8

1. **Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has a Corporate Social Responsibility (CSR) policy in place which drives its efforts in the areas which strives towards social and economic development.

2. **Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

The Company collaborates with various foundations, NGOs, Local Administrations etc. on project basis for undertaking the CSR activities.

3. **Have you done any impact assessment of your initiative?**

Yes. The Company undertakes actions and spend expenditure towards corporate social responsibility initiatives after doing initial assessment and case studies. Before undertaking a project or program, meeting with local administrations and other bodies are held for making the pilot project and analysis of the initiatives for knowing the impact. The CSR team does base line survey and where feasible also takes feedback from the beneficiaries for the CSR initiatives taken.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The Complete details of Company's contribution towards the community development has been specified under the Annexure pertaining to CSR details as annexed in the Board Report of the Company's Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The CSR Committee of the Company does all the required assessment for analyzing the key areas for undertaking CSR initiatives and their impact thereto. A programme or project is developed and implemented for creating sense of belongingness and adoption by the community at large. The Community development initiatives are analyzed by base line surveys and taking the feedback from the beneficiaries. The Company proactively engages beneficiaries with the project and programme on continuous basis for achieving sustainability of the project or program. Required necessary support is also provided to the project or program after the development which will be beneficial for the community.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company promptly resolves the customers' complaint as and when received within stipulated time frame.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

The information which are statutorily required are displayed.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertisement and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company regularly engages with customers to get their feedback on the product and always ensure necessary actions to increase their satisfaction level. The Company have quality service team for redressing the customer's concerns pertaining to the Company's product. Customer concerns are being taken for immediate redressals for achieving the customer's satisfaction.

CORPORATE GOVERNANCE REPORT**(1) Company's philosophy on Corporate Governance**

Corporate Governance is the application of best management practices, compliance with the law and adherence to ethical standards to achieve the Company's objectives aimed at enhancing the shareholders' value and discharging social responsibilities. Our Governance process should ensure optimum utilisation of resources to meet the aspirations of our stakeholders' and expectations of our society.

We remained resolute in our commitment to conduct business in accordance with the highest ethical standards and the soundest corporate governance practices. The Company strongly believes in achieving the objectives of enhanced shareholder's value and increased stakeholders' interest through good corporate governance.

A Report on compliance with the Code of Corporate Governance as prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('The Listing Regulations') is given below:

(2) Board of Directors

We believe that a diversified, active and well-informed Board is necessary to ensure highest standards of Corporate Governance. The Board of Directors ('Board') of your Company has an optimum combination of Executive and Non-Executive Directors, representing a blend of professionalism, knowledge and experience. The composition of the Board of your Company is in conformity with Regulation 17(1) of The Listing Regulations. The Executive Chairman of the Company is a Promoter and the number of Non-Executive Independent Directors is more than one-half of the total number of Directors. The Board reviews and approves strategy; oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' value and other stakeholder's interest are met.

The Chairman & Managing Director and two Whole Time Directors are the Executive Directors of the Company looking after the day-to-day management of your Company, belonging to the Company's promoter group. The remaining Non-Executive Directors comprising of seven 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 Directors would be entitled under the Companies Act, 2013 ('the Act') as Non-Executive Directors, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its 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 were 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 10 Directors as on March 31, 2021. The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies are given below. None of the Executive Directors is an Independent Director in more than 3 listed companies and none of Non-Executive Directors is Director in more than 7 listed companies [Regulation 17A of the Listing Regulation]. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees [Regulation 26(1) of Listing Regulations], across all the listed entities.

b. Board Procedure

A detailed agenda folder containing items of business to be transacted is sent to each Director in advance of the Board Meeting and to the Director concerned in advance of the committee meetings. To enable the Board to discharge its responsibilities effectively, the Chairman & Managing Director apprises the Board at every meeting of the overall performance of the Company, followed by itemized presentations as may be necessary. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance status of all laws applicable to the Company as well as steps taken by your Company to rectify instances of non-compliances, if any, review of major legal issues, significant labour issues, transactions pertaining to purchase/disposal of property(ies), major accounting provisions and major write backs/impairment etc. and approves quarterly/half yearly/ annual results. Minutes of meetings of the Audit and other Committees of the Board contain information on recruitment and leaving of officers just below the Board level including the Company Secretary and Compliance officer.

c. Number of Board Meetings, Attendance of Directors at Meetings of the Board and at the Annual General Meeting

During FY 2020-21, the Board met four times viz. on June 30, 2020, September 14, 2020, November 11, 2020 & February 12, 2021. Pursuant to Ministry of Corporate Affairs (MCA) general circular no. 11/2020 dated March 24, 2020, issued in view of Covid-19 outbreak, the mandatory requirement of holding Board meeting within the interval of one hundred and twenty (120) days provided in Section 173 of the Companies Act, 2013 was relaxed and extended by a period of sixty (60) days for the companies.



In view of the above relaxation, the first Board Meeting for FY 2020-21 was conducted on June 30, 2020 which was as per the revised timelines of the MCA circular.

The composition and attendance record of members of the Board is given below:

| Name of Directors | Number of Board Meetings held during the year 2020-21 | | Attendance at last AGM held on September 12, 2020 (YES/NO) | No. of Directorships Held in Listed Companies | No. of Committee Memberships held* (excluding Private, Foreign and Section 8 Companies) | Number of Committee Chairmanships held* |
|--|---|----------|--|---|---|---|
| | Held | Attended | | | | |
| Executive Directors (Promoters) | | | | | | |
| Mr. Sudhir Kumar Munjal | 4 | 4 | Yes | 1 | 1 | - |
| Mrs. Anju Munjal | 4 | 4 | Yes | 1 | - | - |
| Mr. Anuj Munjal | 4 | 4 | Yes | 1 | 1 | - |
| Non Executive and Independent Directors | | | | | | |
| Mr. Vikram Shah | 4 | 4 | Yes | 1 | 1 | 1 |
| Mr. Naresh Kumar Chawla | 4 | 4 | Yes | 1 | 2 | 1 |
| Mr. Mahendra Sanghvi | 4 | 4 | Yes | 3 | 3 | 1 |
| Mr. Ramkisan Devidayal | 4 | 4 | Yes | 3 | 7 | 5 |
| Mr. Sudesh Kumar Duggal | 4 | 4 | Yes | 1 | 2 | - |
| Mr. Jal Ratanshaw Patel | 4 | 4 | Yes | 3 | 5 | 3 |
| Ms. Avi Sabavala# | 4 | 4 | Yes | 2 | 1 | - |

* As required by Regulation 26 of the Listing Regulations, this disclosure Includes memberships/chairmanships of Audit Committee and Stakeholders' Relationship Committee only.

* Except Executive Directors, no other Directors are related inter se.

Ms. Avi Sabavala was appointed on the Board of your Company as Non-Executive Woman Independent Director w.e.f. April 01, 2020.

Directorship in other Listed Companies:

| Sr. No. | Name of Directors | Name of Company(ies) | Category of Directorships |
|---------|-------------------------|--|---|
| 1 | Mr. Sudhir Kumar Munjal | - | - |
| 2 | Mrs. Anju Munjal | - | - |
| 3 | Mr. Anuj Munjal | - | - |
| 4 | Mr. Vikram Shah | - | - |
| 5 | Mr. Naresh Kumar Chawla | - | - |
| 6 | Mr. Sudesh Kumar Duggal | - | - |
| 7 | Mr. Mahendra Sanghvi | Integra Engineering India Limited Shaily Engineering Plastics Limited | Non-Executive - Independent Director Executive Director-Chairman |
| 8 | Mr. Ramkisan Devidayal | Banco Products (India) Limited 20 Microns Limited | Non-Executive - Independent Director |
| 9 | Mr. Jal Ratanshaw Patel | Elecon Engineering Company Limited Gujarat Gas Limited | Non-Executive - Independent Director |
| 10 | Ms. Avi Sabavala | Neogen Chemicals Limited | Non-Executive - Independent Director |

d. List of core skills/expertise/competencies as identified by the Board of Directors of the Company as required in the context of Company's business and sector for it to function effectively and those actually available with the Board

| Name of Directors | Mr. Sudhir Kumar Munjal | Mrs. Anju Munjal | Mr. Anuj Munjal | Mr. Vikram Shah | Mr. Naresh Kumar Chawla | Mr. Ramkisan Devidayal | Mr. Mahendra Sanghvi | Mr. Sudesh Kumar Duggal | Mr. Jal Ratanshaw Patel | Ms. Avi Sabavala |
|---|-------------------------|------------------|-----------------|-----------------|-------------------------|------------------------|----------------------|-------------------------|-------------------------|------------------|
| Skills/Expertise/Competencies Whether available with the Board or not? | | | | | | | | | | |
| INDUSTRY KNOWLEDGE/ EXPERIENCE | | | | | | | | | | |
| Experience | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Industry knowledge | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Understanding of relevant laws, rules, regulation and policy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Risk Management | ✓ | ✓ | ✓ | | ✓ | | ✓ | | | |
| TECHNICAL SKILLS/ EXPERIENCE | | | | | | | | | | |
| Accounting and Finance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Business Development and Strategy | ✓ | ✓ | ✓ | | | | ✓ | | | |
| Information Technology | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | | |
| Leadership | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| BEHAVIORAL COMPETENCIES | | | | | | | | | | |
| Integrity and ethical standards | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mentoring abilities | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Interpersonal relations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

e. Annual Evaluation of the Board, its Committees and Individual Directors

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for FY 2020-21.

As part of the evaluation process, the performance of Non-Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non-Independent Directors was done by the Board excluding the Director being evaluated.

f. Director seeking re-appointment

In accordance with the Section 152 of Companies Act, 2013, one-third of the Executive Directors retires by rotation and, if eligible, offers themselves for re-election at the Annual General Meeting of shareholders. Accordingly, Mr. Sudhir Kumar Munjal retires in the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Nomination & Remuneration committee as well as the Board has recommended the appointment of Mr. Sudhir Kumar Munjal as director liable to retire by rotation at the 36th Annual General meeting.

g. Compliance Certificate

In terms of Regulation 17(8) of Listing Regulations, Chairman & Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2021 forming part of this Report as **Annexure I**.

h. Code of Conduct for the Board and Senior Management Personnel

The Company has formulated comprehensive Code of Conduct ('Code') for Board and Senior Management Personnel of the Company. The Company has received affirmations from the Board and Senior Management Personnel confirming their compliance with the said Code for FY 2020-21. An annual declaration signed by the Chairman & Managing Director to this effect forms part of this Report as **Annexure I**.

i. Familiarisation Programme for Board Members

The Company regularly provides orientation and business overview to its Directors by way of detailed presentations by the various business & functional heads at Board meetings and through other interactive programmes. Such meetings/ programmes include briefings on the culture, values, business model, business of the Company, the roles and responsibilities of Directors and senior executives

The details of Company's familiarization programmes for Directors are posted on the Company's website www.munjalauto.com.



3. Remuneration to Directors

a. Remuneration Policy

As per the remuneration policy, the remuneration paid to Executive Directors is recommended by the NRC and approved by the Board, subject to subsequent approval by shareholders at the general meeting and such other authorities, as the case may be. The terms and conditions of the employment of Executive Directors are governed by the shareholders' approval taken in that regard, wherein all the details are provided in the explanatory statement. The remuneration is arrived at after considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company.

The remuneration paid to Executive Directors is commensurate with their respective roles and responsibilities. Remuneration paid to Executive Directors, subject to limits prescribed under Part II, Section I of Schedule V to the Companies Act, 2013, generally consists of fixed salary, perquisites, allowances and retiral benefits as decided by the NRC and such other benefits in accordance with market practices.

The Non-Executive Directors of the Company are paid sitting fees for attending each meeting of the Board, Committees thereof and any other meetings of the Directors. While deciding the remuneration, various factors such as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, etc. are taken into consideration.

Non-Executive Directors do not have any other pecuniary relationship with the Company except as stated above.

b. Remuneration paid/payable to Executive Directors and Sitting Fees paid to Non-Executive Directors for the year ended March 31, 2021

The remuneration paid/payable to the Executive Directors and Non-Executive Directors of the Company during the year ended March 31, 2021 is as follows:

(Amount ₹ In Lakhs)

| Sr. No. | Name of Directors | Basic Salary | Perquisites, Allowances & Retirals | Sitting Fee | Total compensation |
|---------|-------------------------|--------------|------------------------------------|-------------|--------------------|
| 1. | Mr. Sudhir Kumar Munjal | 115.00 | 147.51 | - | 262.51 |
| 2. | Mrs. Anju Munjal | 100.63 | 129.07 | - | 229.70 |
| 3. | Mr. Anuj Munjal | 100.63 | 129.07 | - | 229.70 |
| 4. | Mr. Vikram Shah | - | - | 3.08 | 3.08 |
| 5. | Mr. Naresh Kumar Chawla | - | - | 3.40 | 3.40 |
| 6. | Mr. Mahendra Sanghvi | - | - | 2.80 | 2.80 |
| 7. | Mr. Ramkisan Devidayal | - | - | 2.80 | 2.80 |
| 8. | Mr. Sudesh Kumar Duggal | - | - | 3.40 | 3.40 |
| 9. | Mr. Jal Ratanshaw Patel | - | - | 2.80 | 2.80 |
| 10. | Ms. Avi Sabavala | - | - | 1.80 | 1.80 |

* Notice period in case of Mr. Sudhir Kumar Munjal, Chairman & Managing Director, Mrs. Anju Munjal and Mr. Anuj Munjal, Whole Time Directors is 180 days.

(4) 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.

(5) Committees of the Board**a. Audit Committee**

The Audit Committee of the Company is constituted in line with Regulation 18 of the Listing Regulations read with Section 177 of the Act & Rules mentioned thereunder. All members of the Audit Committee are financially literate and have accounting or related financial management expertise as mandated by the Listing Regulations.

The Company's Audit Committee functions under the Chairmanship of Mr. Vikram Shah. Four Audit Committee meetings were held on June 30, 2020, September 14, 2020, November 11, 2020 & February 12, 2021 during F.Y. 2020-21 in due compliance with the stipulated provisions. The composition and attendance record of members of the Audit Committee is given below: -

| Sr. No. | Name of Committee Members | Position held | No. of Meetings during FY 2020-21 | |
|---------|---------------------------|---------------|-----------------------------------|----------|
| | | | Held | Attended |
| 1. | Mr. Vikram Shah | Chairman | 4 | 4 |
| 2. | Mr. Naresh Kumar Chawla | Member | 4 | 4 |
| 3. | Mr. Sudhir Kumar Munjal | Member | 4 | 4 |
| 4. | Mr. Sudesh Kumar Duggal | Member | 4 | 4 |
| 5. | Mr. Jal Ratanshaw Patel | Member | 4 | 4 |

Mr. Vikram Shah, the Chairman of the Committee is a Chartered Accountant. The role and terms of reference of the committee covers the matters specified under Regulation 18 and Part C of Schedule II of the Listing Regulations read with Section 177 of the Act. Besides having access to all the required information from the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters.

b. Nomination & Remuneration Committee

The Company has a duly constituted Nomination and Remuneration Committee which, inter alia, identifies and recommends persons who are qualified to become directors or appointed as part of senior management and reviews and recommends payment of annual salaries to the Executive Directors of the Company besides finalizing their service agreements and other employment terms and conditions. The NRC takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages.

The nomenclature, constitution and terms of reference of the Committee are in consonance with the provisions of Section 178 of the Act and Regulation 19(4), read with Schedule II of Listing Regulations.

The Nomination and Remuneration Committee has the following terms of reference in accordance with Listing Regulations:

- to formulate and recommend to the Board of Directors the Company's policies, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, criteria for determining qualifications, positive attributes and independence of a Director;
- to formulate criteria for evaluation of Independent Directors and the Board;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- to carry out evaluation of every Director's performance;
- to devise a policy on Board diversity and
- to recommend to the Board, all remuneration, in whatever form, payable to senior management.



One meeting of Nomination & Remuneration Committee was held on June 30, 2020 during F.Y. 2020-21. The composition and attendance record of the Nomination & Remuneration Committee is given below:

| Sr. No. | Name of Committee Members | Position held | No. of Meetings during FY 2020-21 | |
|---------|---------------------------|---------------|-----------------------------------|----------|
| | | | Held | Attended |
| 1. | Mr. Mahendra Sanghvi | Chairman | 1 | 1 |
| 2. | Mr. Vikram Shah | Member | 1 | 1 |
| 3. | Mr. Sudhir Kumar Munjal | Member | 1 | 1 |
| 4. | Mr. Ramkisan Devidayal | Member | 1 | 1 |
| 5. | Mr. Jal Ratanshaw Patel | Member | 1 | 1 |

The Company does not have any stock option scheme. None of the Directors hold any shares in the Company except Mr. Naresh Kumar Chawla who holds 500 shares & Mrs. Anju Munjal holds 622 shares as on March 31, 2021.

c. Stakeholder's Relationship Committee

This Committee looks into investors' grievances arising out of issues regarding share transfers, dividends, dematerialisation and related matters, evaluating performance and service standards of the Registrar and Share Transfer Agent and takes requisite action(s) to redress the same.

The role and terms of reference of the Committee cover the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, as applicable.

The Stakeholder's Relationship Committee functions under the Chairmanship of Mr. Naresh Kumar Chawla. Four Stakeholders Relationship Committee meetings were held dated June 30, 2020, September 14, 2020, November 11, 2020 & February 12, 2021 during F.Y. 2020-21. The composition and attendance record of members of the Stakeholder's Relationship Committee is given below:

| Sr. No. | Name of Committee Members | Position held | No. of Meetings during FY 2020-21 | |
|---------|---------------------------|---------------|-----------------------------------|----------|
| | | | Held | Attended |
| 1. | Mr. Naresh Kumar Chawla | Chairman | 4 | 4 |
| 2. | Mr. Mahendra Sanghvi | Member | 4 | 4 |
| 3. | Mr. Ramkisan Devidayal | Member | 4 | 4 |
| 4. | Mr. Anuj Munjal | Member | 4 | 4 |
| 5. | Mr. Sudesh Kumar Duggal | Member | 4 | 4 |

The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee. Mr. Rakesh Johari is the Company Secretary & Compliance Officer of the Company.

The Company confirms that there were no share transfers lying pending as on date which were received up to March 31, 2021 and all requests for dematerialization and re-materialization of shares as on that date were confirmed into the NSDL / CDSL system.

d. Share Transfer Committee

The role of the Share Transfer Committee (STC) is to attend to the requests pertaining to share transfers, transmissions, name deletions, issue of duplicate share certificates and dematerialization or rematerialization of shares etc. Mr. Vikram Shah is the Chairman and Mr. Sudhir Kumar Munjal is member of the Committee. The meetings of Share Transfer Committee are held every fortnight, if required.

During the reporting financial year, 4 meetings of Share Transfer Committee were held.

Name & designation of Compliance Officer

Mr. Rakesh Johari, Company Secretary

e. Corporate Social Responsibility ('CSR') Committee

The Committee formulates and recommends to the Board, a Corporate Social Responsibility Policy and monitors as well as reviews the same and determines its implementation process / execution of CSR policy. It also recommends the amount of expenses to be incurred on CSR activities and closely and effectively monitors the implementation of the policy.

Disclosures of contents of Corporate Social Responsibility as required under The Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as a separate annexure to the Board's report.

During the year, one meeting was held on June 30, 2020. The composition and attendance record of members of the CSR Committee is given below: -

| Sr. No. | Name of Committee Members | Position held | No. of Meetings during FY 2020-21 | |
|---------|---------------------------|---------------|-----------------------------------|----------|
| | | | Held | Attended |
| 1. | Mr. Vikram Shah | Chairman | 1 | 1 |
| 2. | Mr. Naresh Kumar Chawla | Member | 1 | 1 |
| 3. | Mr. Sudhir Kumar Munjal | Member | 1 | 1 |
| 4. | Mrs. Anju Munjal | Member | 1 | 1 |
| 5. | Mr. Anuj Munjal | Member | 1 | 1 |

f. Independent Directors Meeting

Independent Directors of the Company met once during FY 2020-21 i.e. on March 13, 2021.

Except Mr. Naresh Kumar Chawla, all Independent Directors were present throughout the meeting.

(6) Disclosure

a. Disclosure of transactions with Related Parties

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

- A statement in the summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.
- There are no material individual transactions with related parties, which are not in the normal course of business and material individual transactions with related parties or others which are not on arm's length basis.
- During the financial year 2020-21, there were no materially significant transactions entered into between the Company and its Promoter, Directors or the Management, Subsidiary or relatives etc. that may have potential conflict with the interests of the Company at large.

The policy of related party is placed on the website of the Company i.e. www.munjalauto.com.

b. Disclosure of Accounting Treatment in preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015.

c. Code for Prevention of Insider Trading Practices

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and cautioning them of the consequences of violations.

d. Whistle Blower Policy:

The Company has implemented a Vigil Mechanism (Whistle Blower policy) and is posted on the Company's website at the following weblink: <https://munjalauto.com/finance/key-policies/>

e. Disclosure of policy on material subsidiaries

The policy for determining material subsidiaries is available on the Company's website at the following weblink: <https://munjalauto.com/finance/key-policies/>



f. Fees paid to Statutory Auditors

The details of fees for all services paid by the Company and its subsidiaries (excluding taxes), on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which statutory auditors are part of, are given in the table below:

| Sr. No. | Name of the Entity | Relationship with Munjal Auto Industries Limited | Detail of Services | Amount (₹ In Lakhs) |
|---------|---|--|--------------------|---------------------|
| 1. | Munjel Auto Industries Ltd. | - | Audit Fess | 15.50 |
| 2. | Munjel Auto Industries Ltd. | - | Tax Audit Fees | 2.50 |
| 3. | Munjel Auto Industries Ltd. | - | Out of Pocket Fees | 0.08 |
| 4. | Munjel Auto Industries Ltd. | - | Certifications | 0.15 |
| 5. | Munjel Auto Industries Ltd. | - | Other services | 6.65 |
| 6. | Indutch Composites Technology Pvt. Ltd. | Subsidiary Company | Audit Fees | 6.00 |
| 7. | Indutch Composites Technology Pvt. Ltd. | Subsidiary Company | Tax Audit Fees | 1.00 |
| 8. | Indutch Composites Technology Pvt. Ltd. | Subsidiary Company | Other services | 3.65 |

g. General Shareholder's Information

1. Annual General Meeting

| | |
|-------|--|
| Date | September 14, 2021 |
| Day | Tuesday |
| Time | 03:00 p.m. |
| Venue | Pursuant to the MCA General Circular no. 20/2020 dated May 5, 2020 and General Circular no. 02/2021 dated January 13, 2021 the Company will conduct its AGM through VC/OAVM. Other relevant details have been provided in the notice of AGM. |

2. Dates of Book Closure

The dates of book closure shall be from **Wednesday, September 08, 2021 to Tuesday, September 14, 2021** (both days inclusive).

3. Date of Dividend Payment

In order to conserve the resources of the Company and considering the prevailing economic situation, the need of resources for growth, the Board of Directors of the Company have decided not to recommend any dividend on the equity shares of the Company for the Financial Year ended March 31, 2021.

4. Financial Year of the Company

Financial year of the Company begins from 1st April every year and ends on 31st March of every subsequent year:

| Tentative Financial reporting for the quarter ending | |
|--|--------------------------------|
| First quarter ended June 30, 2021 | On or before August 14, 2021 |
| Second quarter ended September 30, 2021 | On or before November 14, 2021 |
| Third quarter ended December 31, 2021 | On or before February 14, 2022 |
| Fourth quarter ended Mar 31, 2022 | On or before May 30, 2022 |

5. Registered Office & Corporate Office

Registered Office

187, GIDC Industrial Estate,
Waghodia 391 760,
District : Vadodara, Gujarat, India.
Tel: +91 2668 262421-22,
Fax: +91 2668 262427

Corporate Office

Unitech Business Zone, 2nd Floor,
Tower C, Nirvana Country, South City- 2,
Sector-50, Gurugram, Haryana – 122011.
Tel: (0124)4057891/4057892,
Fax: (0124) 4369506

6. Listing of Equity Shares on Stock Exchange

Listing Fees

Listing fees for the financial year 2021-22 has been paid to the Stock Exchanges, wherein the equity shares of the Company are listed (i.e. BSE & NSE) within stipulated time.

Listing on Stock Exchanges

Equity shares of the Company are presently listed on following stock exchanges:

| Name of Stock Exchange | Address |
|--|--|
| BSE Limited (BSE) | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 |
| National Stock Exchange of India Limited (NSE) | 'Exchange Plaza', Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 |

7. Stock Code

The Company's stock code on the above stock exchanges are:

| | |
|--|----------|
| BSE Limited (BSE) | 520059 |
| National Stock Exchange of India Limited (NSE) | MUNJALAU |
| The ISIN of the Company is INE 672B01032. | |

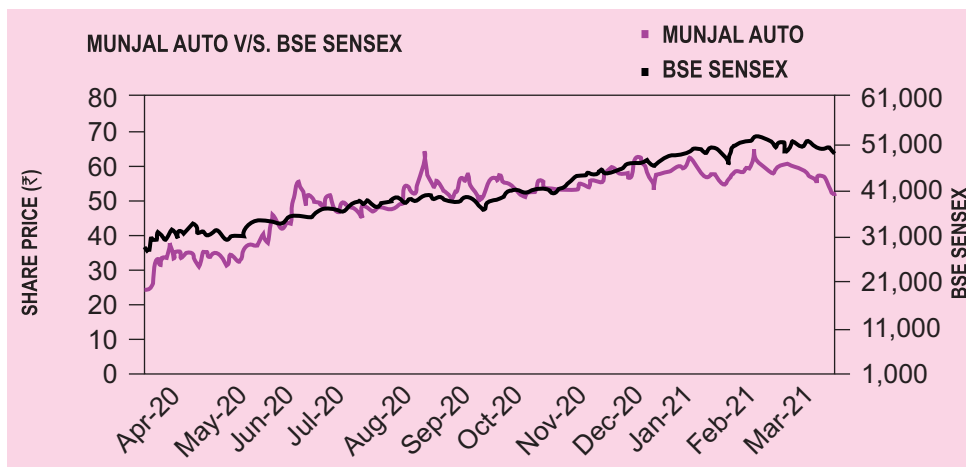
8. Stock Performance

Monthly high and low stock quotations and volumes during the financial year 2020-21 on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

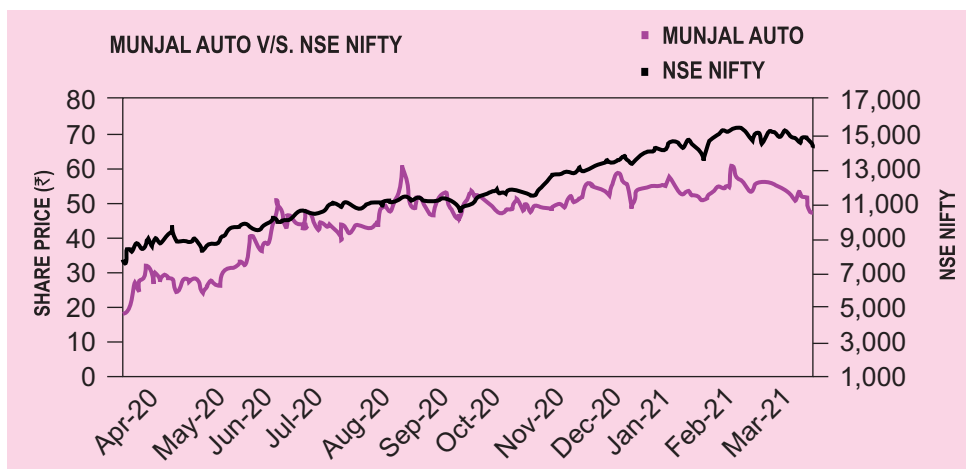
SHARE PRICE DATA (NSE & BSE)

| Month | Bombay Stock Exchange (BSE) | | | National Stock Exchange (NSE) | | |
|-----------------|-----------------------------|---------|---------------|-------------------------------|---------|---------------|
| | High (₹) | Low (₹) | Volume (Nos.) | High (₹) | Low (₹) | Volume (Nos.) |
| April, 2020 | 40.45 | 25.50 | 3,88,557 | 40.40 | 25.10 | 58,05,312 |
| May, 2020 | 40.20 | 31.65 | 3,14,427 | 40.20 | 31.65 | 44,65,016 |
| June, 2020 | 59.90 | 38.15 | 19,13,620 | 60.00 | 38.20 | 1,97,81,428 |
| July, 2020 | 54.30 | 46.10 | 8,10,197 | 54.50 | 46.10 | 80,08,907 |
| August, 2020 | 68.50 | 47.50 | 23,66,594 | 68.80 | 48.05 | 2,61,95,735 |
| September, 2020 | 61.40 | 50.20 | 7,80,483 | 64.25 | 51.00 | 91,39,922 |
| October, 2020 | 61.65 | 52.65 | 5,40,272 | 62.00 | 52.65 | 66,49,952 |
| November, 2020 | 61.70 | 54.30 | 6,97,289 | 61.95 | 54.10 | 81,23,364 |
| December, 2020 | 65.40 | 51.65 | 12,08,177 | 65.40 | 52.00 | 1,22,78,413 |
| January, 2021 | 66.70 | 56.15 | 8,27,315 | 66.90 | 56.05 | 81,87,071 |
| February, 2021 | 70.30 | 56.70 | 9,50,424 | 70.40 | 56.60 | 1,29,43,589 |
| March, 2021 | 63.75 | 53.25 | 5,18,252 | 64.00 | 53.00 | 50,72,190 |

COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX



COMPANY'S SHARE PRICE MOVEMENT VIS A VIS NSE NIFTY



9.

Registrar and Transfer Agent ('RTA')

All work related to share registry, both in physical form and electronic form, is handled by the Company's RTA, MCS Share Transfer Agent Limited. The communication address of the RTA is given hereunder:

MCS Share Transfer Agent Limited

Neelam Apartments, 1st Floor, 88 - Sampatrao Colony, Above Chappanbhog Sweets, Alkapuri, Vadodara- 390 007, Gujarat
Tel.: +91 265 2350490/ 2314757, Fax: +91 265 2341639

E-mail: mcsitdbaroda@gmail.com

10. Share Transfer System

All share transfer and other communications regarding share certificates, change of address, transmission, etc. should be addressed to the Company's RTA.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

The total number of shares transferred/transmitted in physical form during the year 2020-21 was 53,330 shares.

11. Distribution of Shareholding as on March 31, 2021

Distribution of Shareholding by number of shares held & Shareholding Pattern in percentage pursuant to Regulation 31(1)(b) of the Listing Regulations as on March 31, 2021 are given below:

| No. of Equity Shares held | No. of Shareholders | % | No. of Shares | % |
|---------------------------|---------------------|---------------|---------------------|---------------|
| Up to 500 | 32,332 | 81.30 | 50,55,479 | 5.05 |
| 501 – 1000 | 3,791 | 9.53 | 32,63,795 | 3.26 |
| 1001 – 2000 | 1,759 | 4.42 | 28,00,365 | 2.80 |
| 2001 – 3000 | 736 | 1.85 | 19,09,190 | 1.91 |
| 3001 – 4000 | 268 | 0.67 | 9,78,747 | 0.98 |
| 4001 – 5000 | 344 | 0.87 | 16,65,598 | 1.67 |
| 5001 – 10000 | 337 | 0.85 | 25,49,001 | 2.55 |
| 10001 – 50000 | 183 | 0.46 | 35,58,865 | 3.56 |
| 50001 – 100000 | 8 | 0.02 | 6,08,375 | 0.61 |
| 100001 & above | 12 | 0.03 | 7,76,10,585 | 77.61 |
| Total | 39,770 | 100.00 | 10,00,00,000 | 100.00 |

12. Shareholding Pattern as on March 31, 2021

| Category | Holders (No.) | No. of Equity Shares held | Percentage of holding |
|--|---------------|---------------------------|-----------------------|
| PROMOTER HOLDING | | | |
| Indian promoters | 1 | 7,48,06,450 | 74.81 |
| Total of promoter holding | 1 | 7,48,06,450 | 74.81 |
| NON-PROMOTER HOLDING | | | |
| Institutional investors | | | |
| - Mutual funds | 3 | 20,000 | 0.02 |
| - Banks / Financial Institutions | 6 | 50,410 | 0.05 |
| OTHERS | | | |
| - Private Corporate bodies | 281 | 10,23,257 | 1.02 |
| - Indian public | 38,176 | 2,16,00,560 | 21.60 |
| - NRIs / OCBs | 421 | 6,82,035 | 0.68 |
| - Co-op Banks, Co-op. Societies, Trust | 2 | 3,152 | 0.00* |
| - HUF | 879 | 9,85,067 | 0.99 |
| - IEPF | 1 | 8,29,069 | 0.83 |
| Total of non promoter holding | 39,769 | 2,51,93,550 | 25.19 |
| Grand total | 39,770 | 10,00,00,000 | 100.00 |

*Negligible

13. Category of Share Holding as on March 31, 2021

| Sr. No. | Category | No. of Shareholders | % of Total Shareholders | Total Shares | % to Equity |
|---------|--------------|---------------------|-------------------------|---------------------|---------------|
| 1. | Physical | 1,040 | 2.62 | 14,07,485 | 1.41 |
| 2. | NSDL | 18,685 | 46.98 | 8,90,60,245 | 89.06 |
| 3. | CDSL | 20,045 | 50.40 | 95,32,270 | 9.53 |
| | TOTAL | 39,770 | 100.00 | 10,00,00,000 | 100.00 |

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

Not applicable



15. Plant Locations

| Regd. Office & Unit I | Unit II | Unit III | Unit IV |
|--|--|---|---|
| 187, GIDC Industrial Estate, Waghodia-391 760 Dist. Vadodara, Gujarat, India Tel: +91 2668 262421/22 Fax: +91 2668 262427 | Plot No.37, Sector 5 Phase II, Growth Centre Bawal-123 501 Dist. Rewari, State : Haryana Tel: (01284) 264435/36 Fax: (01284) 264434 | Plot No.11, Industrial Park -2 Village :Salempur, Mehdood Haridwar-249 402 Dist. Haridwar, Uttarakhand Tel:(01334)235530/32 Fax: +91 (1334) 235533 | Plot No.32A, Industrial Area, Phase II, Dharuhera-122106 Dist. Haryana, State : Haryana Tel:(01274)243010/11/12/13/14 |

16. Address for Correspondence

For queries relating to

Shares and Dividend

Mr. Rakesh Johari
Company Secretary
Munjla Auto Industries Limited,
187, GIDC Industrial Estate, Waghodia 391 760.
Dist. Vadodara (Gujarat)
Tel: +91 2668 262421-22 Fax: +91 2668 262427
E-mail: cs@munjalaauto.com

Financial Statements

Mr. Brham Prakash Yadav
Chief Financial Officer
Munjla Auto Industries Limited
Unitech Business Zone, 2nd Floor, Tower C, Nirvana Country,
South City-2, Sector-50, Gurugram-122018
Tel: (0124)4057891/4057892 Fax: (0124) 4369506
E-mail: brhamprakash@munjalaauto.com

17. Credit Rating

ICRA, the rating agency has reaffirmed AA- with stable outlook for the long-term bank facilities and A1+ for short term bank facilities and commercial paper of your Company vide letter dated October 23, 2020 during the year under review. The aforesaid rating is valid till June 30, 2021.

18. Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place a policy on Prevention of Sexual Harassment at the workplace. For further details in this regard, please refer to the Board's Report forming part of this annual report

6. Other Disclosures

a. Details of Annual General Meetings and Summary of Special Resolutions passed

| Financial year (ended) | Date | Time | Venue | Summary of Special Resolution(s) passed for |
|------------------------|--------------------|------------|--|---|
| March 31, 2020 | September 12, 2020 | 12:00 Noon | The meeting was convened through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") | No special resolution was passed at the meeting |
| March 31, 2019 | August 31, 2019 | 3.00 p.m | Registered Office at 187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat. India | Special Resolution pertaining to: <ul style="list-style-type: none"> - Reappointment of Mrs. Anju Munjal and Mr. Anuj Munjal and revision in remuneration of Mr. Sudhir Kumar Munjal, CMD, Mrs. Anju Munjal and Mr Anuj Munjal, WTD(s). - Re-appointment of Mr. Vikram Shah, Mr. Mahendra Sanghvi, Mr. Ramkisan Devidayal, Mr. Naresh Kumar Chawla, Mr. Sudesh Kumar Duggal and Mr. Jal Ratanshaw Patel as non-executive independent directors for their second term. |

| Financial year (ended) | Date | Time | Venue | Summary of Special Resolution(s) passed for |
|---------------------------|-----------------|----------|--|---|
| March 31, 2018 | August 25, 2018 | 3.00 p.m | Registered Office at 187, GIDC Industrial Estate, Waghodia 391 760, Dist. Vadodara, Gujarat. India | Special resolutions pertaining to: Approval of reappointment of Mr. Sudhir Kumar Munjal as Chairman & Managing Director, for further tenure of 5 years w.e.f. 29.10.2018. Approval for granting loans and providing guarantee/security in connection with loan taken or to be taken by Indutch Composites Technology Private Limited, a Subsidiary Company. |

b. Resolution passed through circulation

A Resolution was passed by circulation by the members of Nomination and Remuneration Committee on September 12, 2020 for appointment of Mr. Brham Prakash Yadav as a Chief Financial Officer of the Company w.e.f. 29.10.2020.

c. Details of non compliance etc.

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

d. Means of Communication

The Company has been regularly uploading on online platform of Stock Exchanges within 30 minutes of closure of the Board Meeting, Annual Audited as well as quarterly un-audited results to both the Stock Exchanges, BSE & NSE, after they are approved by the Board of Directors. All information is submitted to NEAPS and BSE Listing Centre.

Quarterly, half-yearly and annual results are published in prominent daily newspapers such as the Business Standard & local newspaper i.e. Loksatta-Jansatta. The Company also informs Stock Exchanges in a prompt manner, all price sensitive information or such other matters, which in its opinion are material & relevant for the shareholders and subsequently issues a press release on the said matters.

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

NSE Electronic Application Processing System ('NEAPS')

NEAPS is a web-based application designed by the National Stock Exchange of India Ltd. (NSE) for corporate filings. All periodical compliance related filings, like shareholding pattern, corporate governance report, media releases and corporate actions are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre ('Listing Centre')

The Listing Centre of BSE Ltd., is a web-based application designed for corporate filings. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.

e. Compliance with Mandatory requirements

No penalties have been imposed or strictures passed against the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

Securities of the Company have not been suspended for trading at any point of time during the year and the Company has duly complied with Corporate Governance requirements as specified under Regulation 17 to 27, Regulation 46 (2) clause (b) to (i) and para C, D and E of Schedule V of the Listing Regulations.

f. Postal Ballot

During the year ended March 31, 2021, no resolution was passed by postal ballot. Hence, disclosure under this section is not applicable.



ANNEXURE – I OF CORPORATE GOVERNANCE REPORT

COMPLIANCE CERTIFICATE

To,
The Board of Directors,
Munjal Auto Industries Limited
187, GIDC Industrial Estate, Waghodia
Vadodara, Gujarat- 391760

Sub: Compliance Certificate in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- A. This is to certify that we have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2021 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) 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 accept responsibility 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 and 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:
- (1) significant changes in internal control over financial reporting during the year, if any;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - (3) 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.

For Munjal Auto Industries Limited

Date : June 09, 2021
Place : Gurugram

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Brham Prakash Yadav
Chief Financial Officer

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR

[Regulation 34(3), read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Sudhir Kumar Munjal, Chairman & Managing Director of Munjal Auto Industries Limited, hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2020-21.

For Munjal Auto Industries Limited

Date : June 09, 2021
Place : Gurugram

Sudhir Kumar Munjal
Chairman & Managing Director
DIN: 00084080

ANNEXURE - II OF CORPORATE GOVERNANCE REPORT
CERTIFICATE OF PRACTISING COMPANY SECRETARY ON CORPORATE GOVERNANCE

To,
The Members,
MUNJAL AUTO INDUSTRIES LIMITED
187, GIDC Industrial Estate, Waghodia
Dist. Vadodara, Gujarat-391760

We have examined the compliance of conditions of Corporate Governance of MUNJAL AUTO INDUSTRIES LIMITED ("the Company") for the year ended March 31, 2021, as stipulated in Regulation 15 and other relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') electronically in view of COVID-19 advisories.

The compliance of conditions of Corporate Governance is responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of the Corporate Governance. 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 our examination of the relevant records as aforesaid and the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15 and other relevant regulations of the Listing Regulations above, during the year ended March 31, 2021 as applicable.

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.

Place : Vadodara
Date : June 09, 2021

For Devesh Pathak & Associates
Practising Company Secretaries
Devesh A. Pathak
Sole Proprietor
Membership No.: FCS 4559
CoP No. : 2306
UDIN:F004559C000441820



ANNEXURE – III OF CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Munjal Auto Industries Limited
187, GIDC Industrial Estate,
Waghodia Dist.
Vadodara - 391760

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MUNJAL AUTO INDUSTRIES LIMITED** having CIN L34100GJ1985PLC007958 and having registered office at 187 GIDC Estate Waghodia Distt Baroda Gujarat 391760, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|----------------------------------|----------|--------------------------------|
| 1. | Naresh Kumar Chawla | 00007842 | 30/08/2001 |
| 2. | Mrs. Anju Sudhir Munjal | 00007867 | 30/09/1999 |
| 3. | Mr. Vikram Chinubhai Shah | 00007914 | 02/09/1996 |
| 4. | Mr. Jal Patel | 00065021 | 30/03/2009 |
| 5. | Mr. Sudhir Kumar Munjal | 00084080 | 29/10/2013 |
| 6. | Mr. Mahendra Bhogilal Sanghvi | 00084162 | 30/08/2001 |
| 7. | Mr. Ramkisan Amirchand Devidayal | 00238853 | 26/07/2008 |
| 8. | Mr. Sudesh Kumar Duggal | 00566943 | 25/10/2008 |
| 9. | Mr. Anuj Munjal | 02714266 | 01/06/2010 |
| 10. | Ms. Avi Sabavala | 08246256 | 01/04/2020 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Vadodara
Date : June 09, 2021

For Devesh Pathak & Associates
Practising Company Secretaries
Devesh A. Pathak
Sole Proprietor
Membership No.: FCS 4559
CoP No. : 2306
UDIN:F004559C000441831

INDEPENDENT AUDITORS' REPORT

To
THE MEMBERS OF
MUNJAL AUTO INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Munjyal Auto Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

| Sr. No. | Key Audit Matters | How our audit addressed the key audit matters |
|---------|--|---|
| 1. | <p><u>Recognition and Measurement of Deferred Taxes including Minimum Alternate Tax (MAT) credit:</u></p> <p><i>(Refer to note 4 (xiv), 12, 42 to the standalone financial statements)</i></p> <p>The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of tax base of assets and liabilities. This requires significant calculations on account of the tax regulations, most of which are complex. The effects and the measurement of deferred tax assets and liabilities require detailed knowledge of the applicable tax law.</p> <p>We have considered the recognition and measurement of deferred tax assets including MAT credit as Key Audit Matter as recognition of these assets involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.</p> | <p><u>Principal Audit Procedures</u></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax asset by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts. - Inquiry and critical analysis of the management judgement on recognition of deferred tax asset. - Assessing the adequacy of the deferred tax disclosures to the standalone financial statements. <p><u>Conclusion:</u></p> <p>Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in standalone financial statements.</p> |



Information Other than the Standalone Financial Statements and Auditors' Report Thereon

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

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

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

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

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

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

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure -A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e. on the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B";
 - g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;
 - ii. the Company did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2021;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Vishal P. Doshi
Partner

Place : Vadodara
Date : June 09, 2021

Membership No.101533
UDIN: 21101533AAAABV9195

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. Due to the pandemic, the assets which were to be covered as per the said programme have not been physically verified by the management during the year. As the management has not carried out any verification during the year, we are unable to comment whether the discrepancies, if any, are material.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than self-constructed properties are held in the name of the Company.
- ii. The inventories of finished goods, work-in-progress, stores, spare part, and raw materials have been physically verified by the management. In our opinion the frequency of verification is reasonable. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, reporting under clause (iii) (a) to clause (iii) (c) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Act in respect of the Investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Act, and the rules framed thereunder or under the directives issued by the Reserve Bank of India and therefore, reporting under clause (v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and rules 3 of the Companies (Cost Records and Audit) Amendment Rules, 2014 for any of the products of the Company and therefore, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, duty of customs, goods and service tax, cess and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, duty of customs, goods and service tax, cess and other statutory dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no disputed dues in respect of Income Tax, Goods and Service Tax, Service tax and Duty of Customs. According to the information and explanations given to us, the followings are the particulars of Sales Tax and Duty of Excise as at March 31, 2021 which have not been deposited on account of dispute:

| Name of the statute | Nature of disputed dues | Amount in ₹ | Period to which the amount relates | Forum where pending |
|---|-------------------------|--------------|------------------------------------|---|
| The Gujarat Sales Act, 1969 | Sales Tax | 25,49,704 | Financial Year 2002-2003 | Commissioner of Commercial Tax (Appeals) |
| The Central Excise Act, 1944 | Duty of Excise | 58,76,332 | June, 2008- March, 2009 | Commissioner of Customs, Excise and Service Tax (Appeals) |
| The Uttarakhand Value Added Tax Act, 2005 | Sales Tax | 40,74,88,536 | FY 2016-17 | Joint Commissioner (Appeals) 1 – State Tax |
| The Central Sales Tax Act, 1956 | Sales Tax | 14,50,000 | FY 2016-17 | Joint Commissioner (Appeals) 1 – State Tax |

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company has not taken any loans from financial institution or Government. It has not issued any debentures.
- ix. In our opinion and according to information and explanation given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management of the Company.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him and therefore, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Vishal P. Doshi
Partner

Membership No.101533
UDIN: 21101533AAAABV9195

Place : Vadodara
Date : June 09, 2021



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls with reference to standalone financial statements of Munjal Auto Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Vadodara
Date : June 09, 2021

Vishal P. Doshi
Partner
Membership No.101533
UDIN: 21101533AAAABV9195



STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

| Particulars | Note | (Amount ₹ in Lakhs) | |
|--|------|-------------------------|-------------------------|
| | | As at March 31, 2021 | As at March 31, 2020 |
| ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, plant and equipment | 6 | 19,827.16 | 21,981.03 |
| (b) Capital work-in-progress | | 115.59 | 165.65 |
| (c) Investment Property | 7 | 2,632.07 | 2,645.71 |
| (d) Investment property under construction | 7 | - | - |
| (e) Intangible Assets | 8 | 148.10 | 201.27 |
| (f) Right of use assets | 9 | 2,516.28 | 3,373.43 |
| (g) Financial Assets | | | |
| (i) Investments | 10 | 3,001.93 | 3,001.93 |
| (ii) Deposits | 11 | 220.61 | 217.61 |
| (h) Deferred tax assets (net) | 12 | 659.26 | 1,247.48 |
| (i) Other non-current assets | 13 | 36.93 | 65.47 |
| Total Non-Current Assets | | 29,157.93 | 32,899.59 |
| (2) Current Assets | | | |
| (a) Inventories | 14 | 5,599.67 | 6,430.78 |
| (b) Financial assets | | | |
| (i) Investments | 15 | 2,632.63 | 1,888.01 |
| (ii) Trade receivables | 16 | 37,212.00 | 25,445.74 |
| (iii) Cash and cash equivalents | 17 | 1,519.61 | 1,555.56 |
| (iv) Other bank balances | 18 | 96.00 | 108.64 |
| (v) Loans | 19 | 63.96 | 63.52 |
| (vi) Other financial assets | 20 | - | 41.67 |
| (c) Current tax assets (net) | 21 | 280.89 | 286.78 |
| (d) Other current assets | 22 | 268.25 | 789.34 |
| (e) Non-Current assets held for sale | 9 | 689.64 | - |
| Total Current Assets | | 48,362.65 | 36,610.04 |
| Total Assets | | 77,520.58 | 69,509.63 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 23 | 2,000.00 | 2,000.00 |
| (b) Other equity | 24 | 29,535.87 | 27,373.66 |
| Total Equity | | 31,535.87 | 29,373.66 |
| Liabilities | | | |
| (1) Non-Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 25 | 5,355.21 | 6,791.15 |
| (ii) Other financial liabilities | 26 | 1,004.80 | 1,112.50 |
| (b) Provisions | 27 | 527.13 | 559.93 |
| Total Non-Current Liabilities | | 6,887.14 | 8,463.58 |
| (2) Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 28 | - | 1,000.00 |
| (ii) Trade payables | 29 | | |
| (A) Total outstanding dues of micro and small enterprises | | 3,228.19 | 3,516.26 |
| (B) Total outstanding dues of creditors other than micro and small enterprises | | 29,087.66 | 22,516.80 |
| (iii) Other financial liabilities | 30 | 3,140.66 | 2,873.16 |
| (b) Current tax liabilities (net) | 31 | 111.36 | - |
| (c) Other current liabilities | 32 | 2,894.46 | 1,113.95 |
| (d) Provisions | 33 | 635.24 | 652.22 |
| Total Current Liabilities | | 39,097.57 | 31,672.39 |
| Total Equity and Liabilities | | 77,520.58 | 69,509.63 |
| Significant Accounting Policies and Notes to Standalone Financial Statements | 1-54 | | |

As per our report of even date attached
For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : June 09, 2021

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

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080
Rakesh Johari
Company Secretary

Place : Gurugram
Date : June 09, 2021

Anju Munjal
Whole Time Director
DIN - 00007867
B P Yadav
Chief Financial Officer

Vikram Shah
Chairman Audit Committee
DIN - 00007914

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

| | | (Amount ₹ in Lakhs) | |
|--|------|--------------------------------------|--------------------------------------|
| Particulars | Note | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| I INCOME | | | |
| Revenue from operations | 34 | 1,99,370.50 | 1,13,961.51 |
| Other income | 35 | 957.44 | 859.98 |
| Total Income | | 2,00,327.94 | 1,14,821.49 |
| II EXPENSES | | | |
| Cost of raw materials consumed | 36 | 1,78,969.39 | 89,484.34 |
| Changes in inventories of finished goods and work-in-progress | 37 | (730.09) | 2,322.36 |
| Employee benefits expenses | 38 | 6,029.58 | 7,954.50 |
| Finance costs | 39 | 867.18 | 843.95 |
| Depreciation and amortization expenses | 40 | 2,247.92 | 2,157.00 |
| Other expenses | 41 | 9,669.17 | 11,374.27 |
| Total Expenses | | 1,97,053.15 | 1,14,136.42 |
| III Profit Before Tax (I-II) | | 3,274.79 | 685.07 |
| IV Income Tax expenses | 42 | | |
| (a) Current tax relating to: | | | |
| - current year | | 923.72 | 122.52 |
| - earlier years | | 6.46 | 1.90 |
| (b) Deferred tax | | 241.99 | 67.05 |
| V Profit for the year (III-IV) | | 2,102.62 | 493.60 |
| VI Other Comprehensive Income (OCI) | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Re-measurement of the defined benefit plans | | 91.60 | (47.44) |
| - Income tax impact | 42 | (32.01) | 16.58 |
| Net other comprehensive income not to be reclassified to profit or loss | | 59.59 | (30.86) |
| VII Total Comprehensive Income for the year (V+VI) | | 2,162.21 | 462.74 |
| Earnings per equity share (Nominal value of ₹ 2 each) | | | |
| Basic and diluted (in ₹) | 44 | 2.10 | 0.49 |
| Significant Accounting Policies and Notes to Standalone Financial Statements | 1-54 | | |

As per our report of even date attached
For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : June 09, 2021

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

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Rakesh Johari
Company Secretary

Place : Gurugram
Date : June 09, 2021

Anju Munjal
Whole Time Director
DIN - 00007867

B P Yadav
Chief Financial Officer

Vikram Shah
Chairman Audit Committee
DIN - 00007914



STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021

A. EQUITY SHARE CAPITAL

(Amount ₹ in Lakhs)

| Particulars | |
|--|-----------------|
| Balance as on March 31, 2019 | 2,000.00 |
| Change in equity share capital during the year | - |
| Balance as on March 31, 2020 | 2,000.00 |
| Change in equity share capital during the year | - |
| Balance as on March 31, 2021 | <u>2,000.00</u> |

B. OTHER EQUITY

(Amount ₹ in Lakhs)

| Particulars | Reserves and Surplus | | | Total |
|--|----------------------|-----------------|-------------------|-----------------|
| | Capital Reserve | General Reserve | Retained Earnings | |
| Balance as at March 31, 2019 | 2.09 | 1,848.73 | 26,265.66 | 28,116.48 |
| Profit for the year | - | - | 493.60 | 493.60 |
| Other Comprehensive Income for the year, net of income tax | - | - | (30.86) | (30.86) |
| Total comprehensive income for the year | - | - | 462.73 | 462.73 |
| Payment of dividend | - | - | (1,000.00) | (1,000.00) |
| Tax on dividends | - | - | (205.55) | (205.55) |
| Balance as at March 31, 2020 | 2.09 | 1,848.73 | 25,522.85 | 27,373.66 |
| Profit for the year | - | - | 2,102.62 | 2,102.62 |
| Other Comprehensive Income for the year, net of income tax | - | - | 59.59 | 59.59 |
| Total comprehensive income for the year | - | - | 2,162.21 | 2,162.21 |
| Payment of dividend | - | - | - | - |
| Tax on dividend | - | - | - | - |
| Balance as at March 31, 2021 | 2.09 | 1,848.73 | 27,685.05 | 29,535.87 |

As per our report of even date attached
For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : June 09, 2021

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

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080
Rakesh Johari
Company Secretary

Place : Gurugram
Date : June 09, 2021

Anju Munjal
Whole Time Director
DIN - 00007867
B P Yadav
Chief Financial Officer

Vikram Shah
Chairman Audit Committee
DIN - 00007914

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

| | (Amount ₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 3,274.79 | 685.07 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 2,247.92 | 2,157.00 |
| Finance Cost | 861.87 | 837.55 |
| (Profit)/Loss on property, plant and equipment sold/discarded | 52.59 | 0.24 |
| Unwinding of discount | 5.31 | 6.40 |
| Interest Income | (15.52) | (3.32) |
| Dividend received | (3.86) | (13.57) |
| Profit on sale of Current Investments | (82.50) | (12.15) |
| Gain on investments carried at fair value through Profit or Loss | (3.94) | (10.47) |
| Sundry balances written back (net) | (10.38) | (4.73) |
| Provision for Capital Advances | 29.00 | - |
| Unrealised foreign exchange (gain)/loss (Net) | 2.79 | 2.63 |
| Re-measurement of defined benefit plans | 91.60 | (47.44) |
| Operating profit before working capital changes | 6,449.67 | 3,597.21 |
| Adjustment for (increase)/decrease in operating assets | | |
| Inventories | 831.11 | (421.24) |
| Trade receivables | (11,765.81) | (10,859.43) |
| Other financial assets | 133.87 | (1,067.07) |
| Other assets | 521.09 | (212.35) |
| Adjustment for increase/(decrease) in operating liabilities | | |
| Trade payables | 6,289.93 | 12,499.11 |
| Provisions | (48.68) | 106.50 |
| Other liabilities | 1,671.85 | 211.59 |
| Cash generated from operations | 4,083.03 | 3,854.31 |
| Less : Direct tax paid (net of refund) | (498.71) | (397.47) |
| Net cash generated from operating activities | 3,584.32 | 3,456.84 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment, Investment Property including Capital Advances & CWIP | (676.70) | (5,717.06) |
| Proceeds from sale of property, plant and equipment | 648.69 | 79.33 |
| Purchase of Investments | (1,09,102.91) | (58,054.69) |
| Sale of Investments | 1,08,444.74 | 56,935.08 |
| Interest Income | 57.19 | (19.27) |
| Dividend Income | 3.86 | 13.57 |
| Bank Balances not considered as Cash and Cash Equivalents | 12.64 | 26.90 |
| Net cash generated/(used) in investing activities | (612.49) | (6,736.14) |



STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021 (Continued)

| | | (Amount ₹ in Lakhs) |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowings | - | 6,723.07 |
| Repayment of Borrowings | (1,150.11) | (1,024.04) |
| Dividend paid | - | (1,000.00) |
| Tax on Dividend | - | (205.55) |
| Payment of Lease Liabilities | (177.29) | (177.29) |
| Net Increase/(Decrease) in Working Capital Borrowings | (1,000.00) | (17.59) |
| Finance cost | (680.38) | (800.73) |
| Net Cash Flow from/(used) in financing activities | (3,007.77) | 3,497.87 |
| D. Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C) | (35.95) | 218.56 |
| Cash & cash equivalents at beginning of year (see note no. 1) | 1,555.56 | 1,337.00 |
| Cash and cash equivalents at end of year (see note no. 1) | 1,519.61 | 1,555.56 |

Notes:

1 Cash and cash equivalents comprise of:

| | | |
|--|-----------------|-----------------|
| Cash on hands | 9.01 | 14.00 |
| Balance with Banks | | |
| In current accounts | 1,510.39 | 140.37 |
| In Cash Credit Accounts | 0.21 | 1.19 |
| In fixed deposits | - | 1,400.00 |
| Cash and cash equivalents as restated | 1,519.61 | 1,555.56 |

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

3 Reconciliation of Liabilities from financial activities:

| | | (Amount ₹ in Lakhs) |
|---------------------------------|-------------------|--|
| Particulars | Lease Liabilities | Long-term borrowings Short-term borrowings |
| Opening Balance (20-21) | 1,110.24 | 8,020.42 1,000.00 |
| Opening Balance (19-20) | - | 2,321.38 1,017.59 |
| Cash inflow / (outflow) (20-21) | (82.87) | (1,150.11) (1,000.00) |
| Cash inflow / (outflow) (19-20) | (84.44) | 5,699.04 (17.59) |
| Non Cash Changes (20-21) | - | - - |
| Non Cash Changes (19-20) | 1,194.68 | - - |
| Closing Balance (20-21) | 1,027.37 | 6,870.31 - |
| Closing Balance (19-20) | 1,110.24 | 8,020.42 1,000.00 |

As per our report of even date attached
For K. C. Mehta & Co.
Chartered Accountants
Vishal P. Doshi
Partner
Membership No. 101533

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

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080
Rakesh Johari
Company Secretary

Anju Munjal
Whole Time Director
DIN - 00007867
B P Yadav
Chief Financial Officer

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Vadodara
Date : June 09, 2021

Place : Gurugram
Date : June 09, 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Munjal Auto Industries Limited ("the Company") is a public limited company domiciled and incorporated in India having its registered office at 187, GIDC Estate, Waghodia, District: Vadodara- 391760. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in manufacturing and selling of Auto components. As at March 31, 2021, Thakur Devi Investments Private Limited, the holding company owned 74.81% of the Company's equity share capital.

2 APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

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

Recent accounting pronouncements:

The Ministry of Corporate Affairs ("MCA") notifies new Standard or Amendments to the existing Standards. There are no such notification which would have been applicable from April 1, 2021.

3 BASIS OF PREPARATION AND PRESENTATION

i. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

ii. Basis of preparation:

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

iii. Operating Cycle

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

4 SIGNIFICANT ACCOUNTING POLICIES

i. Property, plant and equipment

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

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

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

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

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

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

ii. Intangible assets

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

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

iii. Impairment of tangible and intangible assets

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

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

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

iv. Non-Current Assets held for Sale

The Company classifies Non-Current Assets as held for sale/disposal if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

v. Investment Properties

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

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

vi. Investment in Subsidiary

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

vii. Inventories

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

Scrap is valued at estimated net realisable value.

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

Provisions are made for obsolete and non-moving inventories.

viii. Revenue recognition

The Company earns revenue primarily from sale of products.

(a) Sale of products

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

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

(b) Dividend and interest income

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

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

(c) Other income

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

ix. Government Grants

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

x. Leases

As a lessee

The Company's lease assets primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases and corresponding Right-of-use Asset. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease.

The Right-of-use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use Assets are depreciated on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

As a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term. The Company has leased out its Investment Property classifying such lease as an Operating Lease, because it does not transfer substantially all of the risks and rewards incidental to the ownership of such Investment Property. Note 4 (v) sets out the information about the said Investment Property.

xi. Foreign Currency Transactions

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

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

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

xii. Borrowing costs

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

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

xiii. Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits**(1) Defined contribution plan**

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

(2) Defined benefit plan

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

(c) Other long term employee benefits

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

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

xiv. Income taxes

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

(a) Current tax

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

(b) Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

(c) Current and deferred tax for the year

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

xv. Provisions, contingent liabilities and contingent assets

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

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

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

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

Product warranty expenses

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

xvi. Financial instruments

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

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

xvii. Financial assets

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

(a) Financial assets at amortised cost

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

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

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

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

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

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

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

(d) Impairment of financial assets

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

(e) Derecognition of financial assets

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

xviii. Financial liabilities and equity instruments

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

(a) Financial liabilities

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

(b) Equity instruments

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

(c) Derecognition of financial liabilities

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

xix. Research and Development Expenditure

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

xx. Statement of Cash Flows:

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

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in note no. 4, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(i) **Critical judgments in applying accounting policies**

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

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

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

(ii) **Assumptions and key sources of estimation uncertainty**

(a) **Assets and obligations relating to employee benefits**

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

(b) **Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting period. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

(c) **Estimation of provision for warranty**

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

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

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

(e) **Identification of leases, duration and value**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease and to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is rate of interest that the Company would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
6 PROPERTY, PLANT AND EQUIPMENT

(Amount ₹ in Lakhs)

| Particulars/Assets | Tangible Assets | | | | | | | | Total |
|--------------------------|-----------------|----------|-------------------|--------------------------|----------------------|----------|------------------|-----------|-----------|
| | Freehold Land | Building | Plant & Equipment | Lease hold Improve-ments | Furniture & Fixtures | Vehicles | Office Equipment | Computers | |
| GROSS BLOCK | | | | | | | | | |
| At April 1, 2019 | 1,796.86 | 6,161.50 | 14,378.79 | 354.59 | 409.89 | 795.23 | 139.76 | 67.82 | 24,104.44 |
| Additions | - | 297.87 | 4,514.50 | - | 95.42 | 78.13 | 9.68 | 21.90 | 5,017.50 |
| Deduction/Adjustments | - | - | 56.26 | - | - | 74.38 | - | - | 130.64 |
| At March 31, 2020 | 1,796.86 | 6,459.38 | 18,837.03 | 354.59 | 505.30 | 798.98 | 149.44 | 89.72 | 28,991.31 |
| Additions | - | 10.37 | 443.95 | - | 1.25 | 16.23 | 7.72 | 1.88 | 481.40 |
| Deduction/Adjustments | - | - | 747.19 | - | 1.16 | 45.85 | - | - | 794.20 |
| At March 31, 2021 | 1,796.86 | 6,469.75 | 18,533.79 | 354.59 | 505.39 | 769.36 | 157.16 | 91.60 | 28,678.51 |
| ACCUMULATED DEPRECIATION | | | | | | | | | |
| At April 1, 2019 | - | 598.99 | 4,189.92 | 25.60 | 45.93 | 234.61 | 66.36 | 45.79 | 5,207.21 |
| Charge for the year | - | 232.24 | 1,402.57 | 38.46 | 22.50 | 105.40 | 28.66 | 24.32 | 1,854.14 |
| Deduction/Adjustments | - | - | 4.73 | - | - | 46.34 | - | - | 51.07 |
| At March 31, 2020 | - | 831.23 | 5,587.76 | 64.06 | 68.43 | 293.67 | 95.02 | 70.11 | 7,010.28 |
| Charge for the year | - | 222.62 | 1,493.04 | 38.46 | 33.63 | 105.18 | 20.45 | 20.62 | 1,933.99 |
| Deduction/Adjustments | - | - | 56.28 | - | - | 36.65 | - | - | 92.92 |
| At March 31, 2021 | - | 1,053.85 | 7,024.52 | 102.52 | 102.06 | 362.20 | 115.47 | 90.73 | 8,851.35 |
| NET BLOCK | | | | | | | | | |
| At March 31, 2020 | 1,796.86 | 5,628.15 | 13,249.28 | 290.53 | 436.87 | 505.31 | 54.42 | 19.61 | 21,981.03 |
| At March 31, 2021 | 1,796.86 | 5,415.89 | 11,509.27 | 252.07 | 403.33 | 407.16 | 41.69 | 0.88 | 19,827.16 |

Notes:

- The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.
- For details of property, plant and equipment given as security to lenders, refer Note No. 25.
- The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- Contractual obligations: Refer to note 43 for disclosure on contractual commitments for the acquisition of property, plant and equipment.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

7 INVESTMENT PROPERTY

| Particulars /Assets | Constructed | Under construction | Total |
|------------------------------|-----------------|--------------------|-----------------|
| GROSS BLOCK | | | |
| At April 1, 2019 | - | 1,513.78 | - |
| Additions | 2,710.19 | 1,196.41 | 2,710.19 |
| Deduction/Adjustments | 64.48 | 2,710.19 | 64.48 |
| At March 31, 2020 | 2,645.71 | - | 2,645.71 |
| Additions | 73.85 | - | 73.85 |
| Deduction/Adjustments | - | - | - |
| Depreciation | 87.49 | - | 87.49 |
| At March 31, 2021 | 2,632.07 | - | 2,632.07 |

- (i) Investment property includes Factory Building situated at Waghodia, Gujarat, which is owned to earn rentals and for capital appreciation. The said property is leased out to the Company's subsidiary for its operations.
- (ii) The said investment property is pledged as security for a related borrowing. The fair value of the property measured by a registered valuer is ₹ 2372.33 Lakhs.
- (iii) Rental income of ₹ 515.03 Lakhs is shown within other income and finance expenses of ₹ 164.13 Lakhs are reported within Finance Costs.

8 INTANGIBLE ASSETS

| Particulars /Assets | Computer Software | Total |
|---------------------------------|-------------------|---------------|
| GROSS BLOCK | | |
| At April 1, 2019 | 348.41 | 348.41 |
| Additions | 57.86 | 57.86 |
| Deduction/Adjustments | - | - |
| At March 31, 2020 | 406.27 | 406.27 |
| Additions | 5.75 | 5.75 |
| Deduction/Adjustments | - | - |
| At March 31, 2021 | 412.02 | 412.02 |
| ACCUMULATED AMORTISATION | | |
| At April 1, 2019 | 134.18 | 134.18 |
| Charge for the year | 70.82 | 70.82 |
| Deduction/Adjustments | - | - |
| At March 31, 2020 | 205.00 | 205.00 |
| Charge for the year | 58.91 | 58.91 |
| Deduction/Adjustments | - | - |
| At March 31, 2021 | 263.91 | 263.91 |
| NET BLOCK | | |
| At March 31, 2020 | 201.27 | 201.27 |
| At March 31, 2021 | 148.10 | 148.10 |

- 1 The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.
- 2 The aggregate amortisation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

9 RIGHT OF USE ASSETS

| Particulars /Assets | Right of use assets | | | Total |
|---|---------------------|---------------|-------------------|-----------------|
| | Land | Building | Plant & Equipment | |
| At April 1, 2019 | - | - | - | - |
| Reclassified on account of adoption of Ind AS 116 | 2,346.32 | 1,138.95 | 55.73 | 3,541.00 |
| Less : Depreciation | 28.69 | 125.39 | 13.49 | 167.56 |
| As at March 31, 2020 | 2,317.63 | 1,013.56 | 42.24 | 3,373.43 |
| Less : Non-Current Assets held for Sale | 689.64 | - | - | 689.64 |
| Less : Depreciation | 28.64 | 125.39 | 13.49 | 167.51 |
| As at March 31, 2021 | 1,599.35 | 888.17 | 28.75 | 2,516.28 |

The Company has entered into an agreement to transfer the Right of Use Asset pertaining to Land located at Neemrana, Rajasthan. The transaction is set to be completed by October, 2021. It has also received non-refundable advance of ₹ 50 Lakhs for the same (refer note 32). The net book value of the assets to be transferred as per the agreement has been shown as Non-Current Assets held for disposal in the Balance Sheet.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 10 INVESTMENTS | | |
| Investments in equity Instruments | | |
| Investments in subsidiary (at Cost) | | |
| Indutch Composites Technology Private Limited | 3,001.93 | 3,001.93 |
| (Unquoted, Fully paid up 28,66,536 equity shares, Face Value ₹ 10 per share) | | |
| Total | 3,001.93 | 3,001.93 |
| Aggregate carrying value of unquoted investments | 3,001.93 | 3,001.93 |
| Aggregate amount of impairment in value of investments | - | - |

(ii) Details of Subsidiary:

| Name of subsidiary | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/ voting rights held by the Company | |
|---|---|--|---|-------------------------|
| | | | As at March 31, 2021 | As at March 31, 2020 |
| Indutch Composites Technology Private Limited | Designing, developing, testing and production of different types of composites moulds and products for different industries | <u>Place of Incorporation:</u> Vadodara, Gujarat <u>Principal Place of Business:</u> Vadodara and Chennai | 68.00% | 68.00% |

(iii) Refer Note 4 (vi) for method followed for accounting of investments in subsidiaries.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|-------------------------|-------------------------|
| 11 DEPOSITS | | |
| Unsecured, considered good | | |
| Deposits | 220.61 | 217.61 |
| Total | 220.61 | 217.61 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|-------------|----------------------------------|-------------------------|-------------------------|
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| 12 | DEFERRED TAX ASSETS (NET) | | |
| | Deferred tax assets | 2,809.79 | 3,278.28 |
| | Deferred tax liabilities | (2,150.53) | (2,030.80) |
| | Total | 659.26 | 1,247.48 |

For the Financial Year 2020-21

| | | (Amount ₹ in Lakhs) | | | | |
|---|--------------------|---|---|---------------------------|------------------|--------------------|
| Particulars | Opening Balance | Recognized in Statement of Profit and Loss | Recognized in Other Comprehensive Income | MAT Credit (Setoff) | Adjust- ments | Closing Balance |
| Deferred tax asset on account of: | | | | | | |
| Expenses claimed for tax purpose on payment basis | 436.42 | 21.73 | - | - | - | 458.15 |
| Carry Forward of Business Losses | 194.04 | (194.04) | - | - | - | - |
| Impairment of Trade Receivables | 1.20 | 10.13 | - | - | - | 11.33 |
| MAT credit entitlement | 2,646.62 | - | - | (314.21) | 7.90 | 2,340.31 |
| Total Deferred Tax Assets (A) | 3,278.28 | (162.18) | - | (314.21) | 7.90 | 2,809.79 |
| Deferred tax liability on account of: | | | | | | |
| Property, plant and equipment & intangible assets | 2,027.88 | 89.44 | 32.01 | - | - | 2,149.33 |
| Impact of discounting of Warranty Provisions | 2.92 | (3.10) | - | - | - | (0.18) |
| Financial assets carried at fair value through profit or loss | - | 1.38 | - | - | - | 1.38 |
| Total Deferred Tax Liabilities (B) | 2,030.80 | 87.72 | 32.01 | - | - | 2,150.53 |
| Net Deferred Tax (A-B) | 1,247.48 | (249.90) | (32.01) | (314.21) | 7.90 | 659.26 |
| For the Financial Year 2019-20 | | | | | | |
| Deferred tax asset on account of: | | | | | | |
| Expenses claimed for tax purpose on payment basis | 359.63 | 60.22 | 16.58 | - | - | 436.42 |
| Carry Forward of Business Losses | - | 194.04 | - | - | - | 194.04 |
| Impairment of doubtful debts | 1.20 | - | - | - | - | 1.20 |
| MAT Credit entitlement | 2,537.28 | 109.34 | - | - | - | 2,646.62 |
| Total Deferred Tax Assets (A) | 2,898.10 | 363.59 | 16.58 | - | - | 3,278.28 |
| Deferred tax liability on account of: | | | | | | |
| Property, plant and equipment & intangible assets | 1,598.68 | 429.20 | - | - | - | 2,027.88 |
| Impact of discounting of warranty provisions | 2.08 | 0.84 | - | - | - | 2.92 |
| Financial assets carried at fair value through profit or loss | 0.57 | (0.57) | - | - | - | - |
| Total Deferred Tax Liabilities (B) | 1,601.33 | 429.46 | - | - | - | 2,030.80 |
| Net Deferred Tax (A-B) | 1,296.77 | (65.87) | 16.58 | - | - | 1,247.48 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|--|--|-------------------------|-------------------------|
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| 13 OTHER NON-CURRENT ASSETS | | | |
| Unsecured, considered good | | | |
| Capital advances | | 29.94 | 29.48 |
| Less : Provision for Impairment | | 29.00 | - |
| Net Capital Advances | | 0.94 | 29.48 |
| Advance Income tax (net of provisions) | | 29.60 | 29.60 |
| VAT/CST paid under protest | | 6.39 | 6.39 |
| Total | | 36.93 | 65.47 |
| 14 INVENTORIES | | | |
| Raw materials | | 2,666.01 | 4,144.11 |
| Work in Process | | 1,165.89 | 1,131.45 |
| Finished Goods | | 1,354.49 | 843.30 |
| Finished Goods- Stock in Transit | | 184.47 | - |
| Store and spares | | 228.81 | 311.92 |
| Total | | 5,599.67 | 6,430.78 |

- (i) Inventory write downs/ provisions for slow-moving and obsolete items are accounted, considering the nature of inventory, ageing, liquidation plan and net realizable value. Provision for slow-moving and obsolete items of inventories amounted to ₹ **290.59 Lakhs** (March 31, 2020: ₹ 247.97 Lakhs). The changes in provisions are recognized as an expense in the Statement of Profit and Loss.
- (ii) Inventory of Finished goods includes inventory of tools & dies amounting to ₹ **20.66 Lakhs** (March 31, 2020: ₹ 47.05 lakhs).
- (iii) For Inventories given as security to lenders, refer Note No. 28.
- (iv) The cost of inventories recognized as an expense is disclosed in Notes 36, 37 and 41 in the Statement of Profit and Loss.

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|------------------------|----------------------|------------------------|
| | (Units in Nos.) | (Amount ₹ in Lakhs) | (Units in Nos.) | (Amount ₹ in Lakhs) |
| 15 INVESTMENTS | | | | |
| Financial assets carried at fair value through profit or loss | | | | |
| Investment in Mutual Funds (Unquoted) | | | | |
| Kotak Liquid Reg Fund | 63,518 | 2,630.14 | - | - |
| Kotak Overnight Fund | 227 | 2.49 | 1,87,907 | 1,888.01 |
| Total | | 2,632.63 | | 1,888.01 |

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|---|-------------------------|-------------------------|--|
| Particulars | As at March 31, 2021 | As at March 31, 2020 | |
| 16 TRADE RECEIVABLES | | | |
| Unsecured, considered good | 37,212.00 | 25,445.74 | |
| Credit impaired | 3.43 | 3.43 | |
| Total (A) | 37,215.43 | 25,449.17 | |
| Less: Impairment for doubtful trade receivables (B) | 3.43 | 3.43 | |
| Total (A-B) | 37,212.00 | 25,445.74 | |
| <p>(i) Generally, the Company enters into long-term sales arrangement with its customers. The average credit period is around 45 days.</p> <p>(ii) At March 31 2021, the Company had single customer (March 31, 2020: two customers) having outstanding more than 5% of total trade receivables that accounted for approximately 95% (March 31, 2020: 91%) of total trade receivables outstanding.</p> <p>(iii) The Company assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from its customers within due date.</p> <p>(iv) No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.</p> <p>(v) Movement of Impairment for doubtful trade receivables:</p> | | | |
| | | (Amount ₹ in Lakhs) | |
| Particulars | As at March 31, 2021 | As at March 31, 2020 | |
| Balance at beginning of the year | 3.43 | 3.43 | |
| Addition in expected credit loss allowance on trade receivables | - | - | |
| Balance at end of the year | 3.43 | 3.43 | |
| 17 CASH AND CASH EQUIVALENTS | | | |
| Balances with banks | | | |
| In Cash Credit Accounts | 1,510.39 | 140.37 | |
| In Current Accounts | 0.21 | 1.19 | |
| In Fixed Deposits | - | 1,400.00 | |
| Cash on hand | 9.01 | 14.00 | |
| Total | 1,519.61 | 1,555.56 | |
| 18 OTHER BANK BALANCES | | | |
| Balances with banks | | | |
| In Dividend Current Accounts (earmarked) | 91.50 | 104.14 | |
| Deposit with bank held as margin money against Bank guarantee & LC | 4.50 | 4.50 | |
| Total | 96.00 | 108.64 | |
| 19 CURRENT LOANS | | | |
| Unsecured, considered good | | | |
| Loans to employees | 2.64 | 2.19 | |
| Deposits | 39.00 | 39.00 | |
| Other advances | 22.32 | 22.33 | |
| Total | 63.96 | 63.52 | |
| 20 OTHER CURRENT FINANCIAL ASSETS | | | |
| Unsecured, considered good | | | |
| Rent / Interest receivable | - | 41.67 | |
| Total | - | 41.67 | |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|-------------------------------------|--|-------------------------|-------------------------|
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| 21 CURRENT TAX ASSETS (NET) | | | |
| Current Tax Assets | | | |
| Advance tax (net of provisions) | | 280.89 | 286.78 |
| Total | | 280.89 | 286.78 |
| 22 OTHER CURRENT ASSETS | | | |
| Unsecured, considered good | | | |
| Balance with Government Authorities | | 23.26 | 434.90 |
| Deposit (Refer note below) | | 15.45 | 15.45 |
| Prepaid Expenses | | 165.26 | 195.82 |
| Advance to Vendors | | 64.28 | 143.16 |
| Total | | 268.25 | 789.34 |

The Company had deposited ₹ 15.45 Lakhs under protest towards octroi duty in a separate bank account jointly held with the Sarpanch, Waghodia Gram Panchayat. The State Government of Gujarat has notified that industrial units in the notified area of Waghodia are not required to pay the octroi duty from July 19, 1997. The Company believes it has no liability for octroi duty even for the earlier period and hence no provision has been made. In the absence of clarity regarding rights of respective parties, interest income credited by the bank amounting to ₹ 25.02 Lakhs (As at March 31, 2020: ₹ 23.94 Lakhs) on the aforesaid amount till March 31, 2021 has not been recognized.

| | | (Amount ₹ in Lakhs) | |
|--|--|-------------------------|-------------------------|
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| 23 EQUITY SHARE CAPITAL | | | |
| Authorised Share capital | | | |
| 10,00,00,000 (As at March 31, 2020: 10,00,00,000; Equity Shares of ₹ 2 each) | | 2,000.00 | 2,000.00 |
| Unclassified Shares | | 500.00 | 500.00 |
| Total Authorised Share Capital | | 2,500.00 | 2,500.00 |
| Issued, subscribed & fully paid share capital | | | |
| 10,00,00,000 (As at March 31, 2020: 10,00,00,000) Equity Shares of ₹ 2 each | | 2,000.00 | 2,000.00 |
| Total | | 2,000.00 | 2,000.00 |

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

| (Amount ₹ in Lakhs) | | |
|--|---------------------|-----------------|
| Particulars | No. of Shares | Share Capital |
| As at April 1, 2019 | 10,00,00,000 | 2,000.00 |
| Change in equity share capital during the year | - | - |
| As at March 31, 2020 | 10,00,00,000 | 2,000.00 |
| As at April 1, 2020 | 10,00,00,000 | 2,000.00 |
| Change in equity share capital during the year | - | - |
| As at March 31, 2021 | 10,00,00,000 | 2,000.00 |

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

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | Particulars | No. of shares | Extent of Holding |
|-------|--|--------------------|-------------------|
| (iii) | Details of shares held by holding company are classified as under | | |
| | Thakur Devi Investments Private Limited | | |
| | As at March 31, 2021 | 7,48,06,450 | 74.81% |
| | As at March 31, 2020 | 7,48,06,450 | 74.81% |
| (iv) | Details of shareholders holding more than 5% shares in the Company are as under | | |
| | Thakur Devi Investments Private Limited | | |
| | As at March 31, 2021 | 7,48,06,450 | 74.81% |
| | As at March 31, 2020 | 7,48,06,450 | 74.81% |
| (v) | The Company had allotted 5,00,00,000 number of fully paid Bonus shares on July 13, 2017 in the ratio of one equity share of ₹ 2 each fully paid up for every one existing equity shares of ₹ 2 each fully paid up. | | |

(Amount ₹ in Lakhs)

| | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------|--|---------------------------------|---------------------------------|
| 24 | OTHER EQUITY | | |
| | Capital Reserve | 2.09 | 2.09 |
| | General Reserves | 1,848.73 | 1,848.73 |
| | Retained Earnings | 27,685.05 | 25,522.85 |
| | Total | 29,535.87 | 27,373.66 |
| (i) | Particulars relating to Other Equity | | |
| | Other Equity | As at March 31, 2021 | As at March 31, 2020 |
| | Capital Reserve | | |
| | Opening Balance | 2.09 | 2.09 |
| | Add: Movements | - | - |
| | Closing Balance (A) | 2.09 | 2.09 |
| | General Reserves | | |
| | Opening Balance | 1,848.73 | 1,848.73 |
| | Less: Utilised for issue of Bonus Shares | - | - |
| | Closing Balance (B) | 1,848.73 | 1,848.73 |
| | Retained Earnings | | |
| | Opening Balance | 25,522.85 | 26,265.66 |
| | Add: Net profit after tax transferred from Statement of Profit & Loss | 2,102.62 | 493.60 |
| | Add: Other Comprehensive income arising from re-measurement of defined benefit obligation net of income tax | 59.59 | (30.86) |
| | Less: Dividend paid Nil | | |
| | (Previous Year ₹ 1.00 on 10,00,00,000 shares) | - | (1,000.00) |
| | Less: Dividend distribution tax | - | (205.55) |
| | Closing Balance (C) | 27,685.05 | 25,522.85 |
| | Total (A+B+C) | 29,535.87 | 27,373.66 |
| (ii) | Capital Reserve represents the profit on re-issue of forfeited shares. | | |
| (iii) | The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not reclassified subsequently to profit or loss. | | |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| 25 BORROWINGS - NON CURRENT | | |
| Secured | | |
| Term Loans | | |
| From Banks | 5,355.21 | 6,791.15 |
| Total | 5,355.21 | 6,791.15 |

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

| Term loans | Nature of Security | Current Maturities of each loan (₹ in lakhs) | Amount of Each Loan Outstanding (₹ in lakhs) |
|----------------------------|---|---|---|
| From Bank | | | |
| State Bank of India | | | |
| Loan VI | Loan is secured by way of mortgage/charge created on Fixed Assets of the Company's plant at Bawal, District - Rewari, Haryana. | - (96.88) | - (96.88) |
| Loan VII | These loans are secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodara, Gujarat. | 166.80 (166.64) | 166.80 (291.78) |
| Loan VIII | | 620.00 (250.00) | 2,706.07 (2,956.07) |
| Loan IX | | 444.00 (222.00) | (1,861.42) (2,083.42) |
| HDFC Bank Limited | | | |
| Loan I | Theses loans are secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Dharuhera, District - Rewari, Haryana. | - (187.50) | - (187.50) |
| Loan II | | - (62.50) | - (62.50) |
| Loan III | | - (93.75) | - (93.75) |
| Loan IV | | 150.00 (150.00) | 450.00 (562.50) |
| Loan V | | 134.30 - | 1,686.02 (1,686.02) |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

| Term Loans | Date of Maturity | Rate of Interest | No. of Instalments due after the balance sheet date | Amount of Each Instalment in ₹ in Lakhs |
|----------------------------|------------------|-------------------|---|---|
| From Bank | | | | |
| State Bank of India | | | | |
| Loan VI | July, 2020 | MCLR + 1.05% | - (2) | - (46.88) |
| Loan VII | October, 2022 | MCLR + 1.05% | 4 (7) | 41.66 (41.66) |
| Loan VIII | September, 2025 | MCLR + 0.25% | 2 (4) | 125.00 (125.00) |
| | | | 13 (13) | 185.00 (185.00) |
| Loan IX | September, 2025 | MCLR + 0.15% | 17 (19) | 111.00 (111.00) |
| HDFC Bank Limited | | | | |
| Loan I | December, 2020 | Base Rate + 0.20% | - (3) | - (62.50) |
| Loan II | December, 2020 | Base Rate + 0.20% | - (3) | - (20.83) |
| Loan III | December, 2020 | Base Rate + 0.20% | - (3) | - (31.25) |
| Loan IV | November, 2023 | MCLR + 0.15% | 12 (15) | 37.50 (37.50) |
| Loan V | November, 2023 | MCLR + 0.15% | 20 (20) | 50.00 (50) |
| | | | 20 (20) | 34.30 (34.30) |

Previous year figures are in bracket

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|----|---|-------------------------|-------------------------|
| | Particulars | As at March 31, 2021 | As at March 31, 2020 |
| 26 | OTHER FINANCIAL LIABILITIES | | |
| | Lease Liabilities | 921.47 | 1,029.16 |
| | Security Deposits | 83.33 | 83.33 |
| | Total | 1,004.80 | 1,112.50 |
| | Movement of Lease Liabilities are as under: | | |
| | Opening Balance | 1,110.24 | - |
| | Addition during the year | - | 1,194.68 |
| | Finance Cost | 94.41 | 92.85 |
| | Payment made during the year | 177.29 | 177.29 |
| | Closing Balance | 1,027.37 | 1,110.24 |
| | Current Liabilities | 105.90 | 81.08 |
| | Non-current Liabilities | 921.47 | 1,029.16 |
| 27 | LONG-TERM PROVISIONS | | |
| | Provision for employee benefits (For details refer note no. 45) | | |
| | Gratuity | 75.97 | 46.23 |
| | Leave Encashment | 391.60 | 453.63 |
| | Provision for others | | |
| | Warranties | 59.56 | 60.07 |
| | Total | 527.13 | 559.93 |

(i) Movement in warranties provision

| | | (Amount ₹ in Lakhs) | |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| | Opening balance | 74.22 | 92.36 |
| | Additions during the year | 29.73 | 9.39 |
| | Amount utilised during the year | (14.99) | (20.96) |
| | Provision reversed during the year | (11.19) | (12.99) |
| | Unwinding of discount on provisions | 5.31 | 6.40 |
| | Closing balance | 83.08 | 74.22 |
| | Long-term provisions | 59.56 | 60.07 |
| | Short-term provisions | 23.52 | 14.14 |

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|--|-------------------------|-------------------------|--|
| Particulars | As at March 31, 2021 | As at March 31, 2020 | |
| 28 BORROWINGS - CURRENT | | | |
| Loans repayable on demand from banks | | | |
| Secured (see note below) | - | - | |
| Unsecured | - | 1,000.00 | |
| Total | - | 1,000.00 | |
| (i) These loans are secured by a first charge on inventories, receivables and all other current assets of the Company. | | | |
| 29 TRADE PAYABLES | | | |
| (A) Total outstanding dues of micro and small enterprises | 3,228.19 | 3,516.26 | |
| (B) Total outstanding dues of creditors other than micro and small enterprises | 29,087.66 | 22,516.80 | |
| Total | 32,315.85 | 26,033.06 | |
| This information as required to be disclosed under Micro Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. Information in terms of section 22 of Micro, Small and Medium Enterprises Development Act, 2006 are given below; | | | |
| Trade payables -Total outstanding dues of Micro & Small enterprises* | | | |
| (a) Principal & Interest amount remaining unpaid but not due as at year end | | | |
| - Principal | 3,228.19 | 3,516.26 | |
| - Interest | 14.74 | 36.22 | |
| (b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - | |
| (c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | - | - | |
| (d) Interest accrued and remaining unpaid as at year end | 14.74 | 36.22 | |
| (e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | 123.83 | 87.61 | |
| *Based on the confirmation from Vendors. | | | |
| 30 OTHER CURRENT FINANCIAL LIABILITIES | | | |
| Current maturities of long term debt | 1,515.10 | 1,229.27 | |
| Interest accrued and due on borrowings | 240.41 | 63.49 | |
| Unclaimed Dividends | 91.50 | 104.14 | |
| Security Deposits | 33.29 | 28.64 | |
| Expenses payable | 413.78 | 394.35 | |
| Lease Liabilities (refer note no. 26) | 105.90 | 81.08 | |
| Payable to Employees | 625.70 | 662.92 | |
| Payable for Capital Goods | 114.98 | 309.27 | |
| Total | 3,140.66 | 2,873.16 | |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|----|---|--------------------------------------|--------------------------------------|
| | Particulars | As at March 31, 2021 | As at March 31, 2020 |
| 31 | CURRENT TAX LIABILITIES (NET) | | |
| | Current Tax Liabilities | | |
| | Provision of Tax (net of Advance tax) | 111.36 | - |
| | Total | 111.36 | - |
| 32 | OTHER CURRENT LIABILITIES | | |
| | Liability for statutory payments | 2,832.42 | 679.29 |
| | Advance from customers | 12.04 | 434.67 |
| | Advance received for Non-Current Assets held for Sale | 50.00 | - |
| | Total | 2,894.46 | 1,113.95 |
| 33 | PROVISIONS | | |
| | Provision for employee benefits (For details refer note no. 45) | | |
| | Gratuity | 119.08 | 138.67 |
| | Leave Encashment | 492.64 | 499.40 |
| | Provision for Others | | |
| | Warranties (Refer note no. 27 for details) | 23.52 | 14.14 |
| | Total | 635.24 | 652.22 |
| | | (Amount ₹ in Lakhs) | |
| | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| 34 | REVENUE FROM OPERATIONS | | |
| | Sale of Products | | |
| | Automobile Components | 1,97,478.34 | 1,12,963.30 |
| | Other Operating Revenue | | |
| | Sale of scrap | 1,892.16 | 998.21 |
| | Total | 1,99,370.50 | 1,13,961.51 |
| 35 | OTHER INCOME | | |
| | Interest income on financial assets carried at amortised cost | | |
| | Deposit with bank and others | 15.52 | 3.32 |
| | Dividend Income | | |
| | Dividend received on investments carried at fair value through Profit or Loss | 3.86 | 13.57 |
| | Cash Discount | - | 26.35 |
| | Net Profit on sale of current investments | 82.50 | 12.15 |
| | Net gain on investments carried at fair value through Profit or Loss | 3.94 | 10.47 |
| | Exchange fluctuation (net) | 2.36 | - |
| | Other non-operating income | | |
| | Sundry balances written back (net) | 10.38 | 4.73 |
| | Miscellaneous income | 1.28 | 4.51 |
| | Rental Income | 515.00 | 375.00 |
| | Insurance Claim Received | 19.57 | 58.99 |
| | Incentive from State Government | 303.03 | 350.89 |
| | Total | 957.44 | 859.98 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|--|
| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 | |
| 36 COST OF RAW MATERIALS CONSUMED | | | |
| Cost of raw materials consumed | 1,78,969.39 | 89,484.34 | |
| Total | 1,78,969.39 | 89,484.34 | |
| 37 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN -TRADE AND WORK-IN-PROGRESS | | | |
| Opening stock | | | |
| Finished goods | 843.30 | 3,401.50 | |
| Work-in-progress | 1,131.45 | 725.94 | |
| Finished Goods- Stock in Transit | - | 169.68 | |
| Total (A) | 1,974.76 | 4,297.12 | |
| Closing stock | | | |
| Finished goods | 1,354.49 | 843.30 | |
| Work-in-progress | 1,165.89 | 1,131.45 | |
| Finished Goods- Stock in Transit | 184.47 | - | |
| Total (B) | 2,704.85 | 1,974.76 | |
| Total(A-B) | (730.09) | 2,322.36 | |
| 38 EMPLOYEE BENEFITS EXPENSES | | | |
| Salaries and wages | 5,309.45 | 6,929.06 | |
| Contribution to provident and other funds | 535.56 | 740.85 | |
| Staff welfare expenses | 184.57 | 284.59 | |
| Total | 6,029.58 | 7,954.50 | |
| 39 FINANCE COSTS | | | |
| Interest on | | | |
| Borrowings from Banks | 730.57 | 624.13 | |
| Others | 16.41 | 81.22 | |
| Lease Liabilities | 94.41 | 92.85 | |
| Other costs | 20.48 | 39.35 | |
| Unwinding of discount on provisions | 5.31 | 6.40 | |
| Total | 867.18 | 843.95 | |
| 40 DEPRECIATION AND AMORTIZATION EXPENSES | | | |
| Depreciation on property, plant and equipment | 1,933.99 | 1,854.14 | |
| Depreciation on Investment Property | 87.49 | 64.48 | |
| Depreciation on ROU Assets | 167.51 | 167.56 | |
| Amortization of intangible assets | 58.91 | 70.82 | |
| Total | 2,247.92 | 2,157.00 | |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|--|
| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 | |
| 41 OTHER EXPENSES | | | |
| Stores and tools consumed | 2,822.90 | 2,989.26 | |
| Power and fuel | 1,575.55 | 1,882.56 | |
| Freight charges | 614.69 | 937.75 | |
| Repairs and maintenance | | | |
| Repairs to Buildings | 10.89 | 18.55 | |
| Repairs to Machinery | 249.88 | 403.20 | |
| Repairs and Maintenance - Others | 127.09 | 153.20 | |
| Research and development expenses | 185.67 | 377.38 | |
| Rent | 78.00 | 78.00 | |
| Wages to Contractors | 2,155.86 | 2,394.67 | |
| Professional Charges | 112.21 | 143.31 | |
| Insurance Premium | 187.96 | 157.22 | |
| Audit Fees | 15.50 | 19.00 | |
| Loss on property, plant and equipment sold/discarded (Net) | 52.59 | 0.24 | |
| Rates and Taxes excluding taxes on income | 27.74 | 29.67 | |
| Charity & Donation / CSR Expenses | 76.71 | 75.61 | |
| Warranty Expenses | 18.04 | 2.63 | |
| Exchange fluctuation (net) | - | 2.79 | |
| Provision for Impairment of Capital Advances | 29.00 | - | |
| Miscellaneous Expenses | 1,328.89 | 1,709.24 | |
| Total | 9,669.17 | 11,374.27 | |
| (i) Payment to auditors has been classified below (Excluding Taxes) | | | |
| As Auditors | 15.50 | 19.00 | |
| For Taxation Matters | 2.50 | 2.50 | |
| For Certification | 0.15 | 0.05 | |
| For Other Services | 6.65 | 10.95 | |
| For Out of pocket expenses | 0.08 | 0.56 | |
| Total | 24.88 | 33.06 | |

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

- (a) Gross amount required to be spent by the Company during the year: ₹ 67.58 Lakhs (Previous Year: ₹ 90.51 Lakhs)
- (b) Amount spent in cash during the year on:

| (Amount ₹ in Lakhs) | | | |
|---|---------|---------------------------|---------|
| Particulars | In Cash | Yet to be paid in cash | Total |
| (i) Construction/acquisition of any asset | - | - | - |
| | - | - | - |
| (ii) On purposes other than (i) above | 70.00 | - | 70.00 |
| | (68.50) | - | (68.50) |

Amounts in bracket indicate previous year figures.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| Particulars | (Amount ₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| (iii) Research and development expenses : | | |
| Expenses charged to revenue account | | |
| Raw material consumption | 131.64 | 116.37 |
| Employee benefits | 53.56 | 259.60 |
| Travelling & other expenses | 0.47 | 1.40 |
| Total | 185.67 | 377.38 |
| Capital Expenditure | | |
| Equipments | - | 0.37 |
| Furniture & fixtures | - | 0.65 |
| Total | - | 1.01 |
| 42 TAX EXPENSES | | |
| Current tax in relation to | | |
| Current years | 923.72 | 122.52 |
| Earlier years | 6.46 | 1.90 |
| Deferred Tax | | |
| In respect of current year | 281.91 | 159.81 |
| Unused Tax Credits | (7.90) | (109.34) |
| Total income tax expense recognised in the current year | 1,204.19 | 174.89 |
| (i) The income tax expense for the year can be reconciled to the accounting profit as follows: | | |
| Profit before tax | 3,366.39 | 637.63 |
| Income tax expense calculated at 34.944% (2019-20: 34.944%) | 1,176.35 | 222.81 |
| Tax effects of amounts which are not deductible/(taxable) in calculating taxable income | | |
| Expenses not allowed in Income Tax | 19.60 | 26.90 |
| Effect of income exempt/ taxed on lower rate | (6.42) | (9.55) |
| Effect of deduction under section 80JJA of the Income tax Act, 1961 | (6.60) | (18.67) |
| Additional deduction on research and product development cost | - | (66.47) |
| Tax adjustment of earlier years | 6.46 | - |
| Others | 14.79 | 19.86 |
| | 1,204.18 | 174.88 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
43 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)
(A) Contingent liabilities not provided for in respect of

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

| Particulars | (Amount ₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Claims against the company not acknowledged as debt under the labour laws | 127.90 | 64.98 |
| Income Tax | 44.22 | 21.81 |
| Excise Duty | 58.76 | 58.76 |
| Sales Tax | 4,415.29 | 50.79 |

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

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

(iii) Income Tax

The Company is involved in tax disputes amounting to ₹ 44.22 Lakhs (as at March 31, 2020 ₹ 21.81 Lakhs) relating to Income Tax. This mainly relate to the disallowance under section 14A of the Income Tax Act, 1961 and interest thereon which is pending at Appellate level.

(iv) Excise Duty

The Excise Authorities had denied a CENVAT credit amounting to ₹ 29.38 Lakhs and imposed a penalty of ₹ 29.38 Lakhs for a period between June, 2008 to March, 2009 (₹ 29.38 Lakhs and ₹ 29.38 Lakhs CENVAT credit and penalty respectively at March 31, 2020) in respect of CENVAT credit availed on supplementary invoices raised by the Customer on account of material supplied by them. The Company is contesting the show cause notice.

(v) Sales Tax

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹ 4,415.29 Lakhs (as at March 31, 2020 ₹ 50.79 Lakhs). The details of the demands are as follows:

The Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to ₹ 31.89 Lakhs (as at March 31, 2020 ₹ 31.89 Lakhs). The reasons for disallowing credit was mainly due to not allowing set off of taxes on LPG Gas and other materials used in manufacturing and also not allowing full deduction of taxes paid. Further, there is levy of purchase tax on purchase of LPG Gas. The matter is contested in appeal.

The Sales Tax authorities have demanded tax aggregating to ₹ 18.90 Lakhs (as at March 31, 2020 ₹ 18.90 Lakhs) on account of tax being levied on inter-state stock transfers. The matter is contested in appeal.

The Sales Tax authorities have demanded tax aggregating to ₹ 4,364.50 Lakhs (as at March 31, 2020 ₹ Nil), in this regard an ex parte order has been issued. The matter is contested in appeal.

(vi) Provident Fund

There are numerous interpretative issues relating to the SC Judgement on Provident Fund dated February 28, 2019. The Company has evaluated the impact of said judgement and Company has make necessary provision in financials.

(B) Commitments

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

103.55

47.10



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| 44 EARNINGS PER SHARE | | |
| Profit after tax for the year attributable to equity shareholders (₹ in Lakhs) | 2,102.62 | 493.60 |
| Weighted average number of equity shares (in Nos.) | 10,00,00,000 | 10,00,00,000 |
| Basic and Diluted earnings per equity share (in ₹) | 2.10 | 0.49 |
| Face Value per equity share (in ₹) | 2.00 | 2.00 |

45 EMPLOYEE BENEFITS

(a) Defined Contribution Plans

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

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

(i) Provident fund and Pension

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

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

(ii) Superannuation fund

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

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

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

| Particulars | For the year ended March 31, 2021 | (Amount ₹ in Lakhs) For the year ended March 31, 2020 |
|--|--------------------------------------|---|
| Employer's contribution to Provident and other Funds | 304.30 | 411.96 |
| Employer's contribution to Superannuation Fund | 80.25 | 118.12 |
| Total | 384.55 | 530.08 |

(b) Defined Benefit Plan

(i) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognized Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021, by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
(I) Investment Risk

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

(II) Interest Rate Risk

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

(III) Longevity Risk

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

(IV) Salary Risk

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

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

| Particulars | (Amount ₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Service Cost | | |
| Current Service Cost | 99.26 | 137.71 |
| Past service cost and loss/(gain) on curtailments and settlement | - | - |
| Net interest expense/ (income) | 7.45 | 8.96 |
| Components of defined benefit costs recognised in Employee Benefit Expenses | 106.72 | 146.67 |
| Re-measurement on the net defined benefit liability: | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | (0.19) |
| Actuarial (gains)/losses arising from changes in financial assumptions | 17.16 | (3.66) |
| Actuarial (gains)/losses arising from experience adjustments | (103.89) | 54.32 |
| Return on Plan Assets excluding amount included in net interest cost | (4.88) | (3.03) |
| Components of Re-measurement | (91.60) | 47.44 |
| Total | 15.11 | 194.11 |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| Particulars | (Amount ₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows: | | |
| Present value of funded defined benefit obligation | 1,367.39 | 1,507.51 |
| Fair value of plan assets | 1,172.34 | 1,322.61 |
| Net liability arising from defined benefit obligation | 195.05 | 184.90 |
| Movements in the present value of the defined benefit obligation are as follows: | | |
| Opening defined obligation | 1,507.51 | 1,369.68 |
| Current service cost | 99.26 | 137.71 |
| Interest cost | 81.94 | 86.24 |
| Re-measurement (gains)/losses : | | |
| Actuarial (gains)/ losses arising from changes in financial assumptions | 17.16 | (3.66) |
| Actuarial (gains)/ losses arising from experience adjustments | (103.89) | 54.32 |
| Due to change in demographic assumption | - | (0.19) |
| Benefits paid | (234.60) | (136.59) |
| Closing defined benefit obligation | 1,367.39 | 1,507.51 |
| Movements in the fair value of plan assets are as follows: | | |
| Opening value of plan assets | 1,322.61 | 1,178.89 |
| Interest income | 74.48 | 77.28 |
| Return on plan assets excluding amounts included in interest income | 4.88 | 3.03 |
| Contributions by employer | 4.16 | 200.00 |
| Benefits paid | (233.79) | (136.59) |
| Closing value of plan assets | 1,172.34 | 1,322.61 |
| Classification of Non-Current and Current Liability: | | |
| Current liability | 119.07 | 138.67 |
| Non-Current liability | 75.97 | 46.23 |
| Total | 195.05 | 184.90 |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|---|--|
| Mortality | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |
| Withdrawal Rates | 10.00% p.a. at younger ages reducing to 1.00% p.a. at older ages | 10.00% p.a. at younger ages reducing to 1.00% p.a. at older ages |
| Discount Rate (%) | 6.25% | 6.45% |
| Salary escalation rate (%) | 6.50% | 6.50% |
| Rate of Return on Plan Assets (%) | 6.25% | 6.45% |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| Particulars | (Amount ₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| The fair value of the plan assets at the end of the reporting period for each category are as follows: | | |
| 100% managed by insurer (Life Insurance Corporation of India) | 1,172.34 | 1,322.61 |

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

The actual return on plan assets of gratuity during the year is **₹ 79.36 Lakhs** (during previous year ended March 31, 2020: ₹ 80.31 Lakhs)

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

| Significant actuarial assumptions | (Amount ₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Discount Rate | | |
| - Impact due to increase of 50 basis points | 1,325.39 | 1,463.21 |
| - Impact due to decrease of 50 basis points | 1,412.54 | 1,554.99 |
| Salary increase | | |
| - Impact due to increase of 50 basis points | 1,409.52 | 1,552.19 |
| - Impact due to decrease of 50 basis points | 1,327.47 | 1,465.01 |
| Withdrawal Rate | | |
| - Impact due to increase of 10 percent | 1,366.98 | 1,507.24 |
| - Impact due to decrease of 10 percent | 1,367.80 | 1,507.76 |

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

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

The Company expects to make a contribution of **₹ 119.07 Lakhs** (as at March 31, 2020: ₹ 138.67 Lakhs) to the defined benefit plans during the next financial year.

(c) Other long term employee benefit plans
Leave encashment

Amount of **₹ 63.55 Lakhs** (as at March 31, 2020 ₹ 218.47 Lakhs) is recognized as expenses and included in note no. 38 "Employee benefit expense".

46 IMPAIRMENT OF ASSETS

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at March 31, 2021.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

47 SEGMENT REPORTING

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

| Particulars | (Amount ₹ in Lakhs) | |
|----------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Revenue from: | | |
| Outside India | 16.90 | 60.69 |
| In India | 1,99,353.59 | 1,13,900.82 |

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

The Company's significant revenues (more than 90%) are derived from single entity. The total revenue from such entities amounted to ₹ 1,92,341.31 Lakhs (for the year ended March 31, 2020: ₹ 1,02,014.27 Lakhs)

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

49 FINANCIAL INSTRUMENT DISCLOSURE

(a) Capital Management

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

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

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

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

| Particulars | (Amount ₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Equity share capital | 2,000.00 | 2,000.00 |
| Other equity | 29,535.87 | 27,373.66 |
| Total Equity (A) | 31,535.87 | 29,373.66 |
| Non-current borrowings | 5,355.21 | 6,791.15 |
| Short term borrowings | - | 1,000.00 |
| Current maturities of long term borrowings | 1,515.10 | 1,229.27 |
| Gross Debt (B) | 6,870.31 | 9,020.41 |
| Gross Debt as above | 6,870.31 | 9,020.41 |
| Less: Current investments | 2,632.63 | 1,888.01 |
| Less: Cash and cash equivalents | 1,519.61 | 1,555.56 |
| Less: Other balances with bank (including earmarked balances) | 96.00 | 108.64 |
| Net Debt (C) | 2,622.07 | 5,468.20 |
| Net debt to equity | 0.08 | 0.19 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
(b) Disclosures

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

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

(i) Financial assets and liabilities

The following tables presents each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020.

| Particulars | (Amount ₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| I. Financial Assets | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| (a) Investments in mutual funds | 2,632.63 | 1,888.01 |
| Measured at amortised cost | | |
| Trade and other receivables | 37,212.00 | 25,445.74 |
| Cash and cash equivalents | 1,519.61 | 1,555.56 |
| Other bank balances | 96.00 | 108.64 |
| Loans | 284.57 | 281.12 |
| Other financial assets | - | 41.67 |
| Measured at cost : Investments in subsidiary | 3,001.93 | 3,001.93 |
| Total | 44,746.73 | 32,322.68 |
| II. Financial Liabilities | | |
| Measured at amortised cost | | |
| Long term borrowings | 5,355.21 | 6,791.15 |
| Short term borrowings | - | 1,000.00 |
| Trade payables | 32,315.85 | 26,033.06 |
| Other financial liabilities | 4,145.46 | 3,985.66 |
| Total | 41,816.51 | 37,809.86 |

(ii) Fair value measurement

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

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

(Amount ₹ in Lakhs)

| Financial assets | Fair value as at | | Fair value hierarchy |
|----------------------------|------------------|----------------|----------------------|
| | March 31, 2021 | March 31, 2020 | |
| Investment in mutual funds | 2,632.63 | 1,888.01 | Level 1 |

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

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

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

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2021 and March 31, 2020.

(iii) Financial risk management objectives

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

(a) Market risk

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

(I) Foreign Currency Risk

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

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

(Amount ₹ in Lakhs)

| Foreign Currency Exposure | As At | As At |
|---------------------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| Assets | 32.06 | 0.20 |
| Liabilities | 18.15 | 6.54 |

The Company has not entered in to any forward contracts to hedge its foreign exposures and therefore there are no outstanding forward contract at the year end (as at March 31, 2020: Nil)

Foreign Currency Sensitivity:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| | (Amount ₹ in Lakhs) | |
|-------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| USD sensitivity at year end | | |
| Assets | | |
| Weakening of INR by 5% | 1.60 | 0.01 |
| Strengthening of INR by 5% | (1.60) | (0.01) |
| Liabilities | | |
| Weakening of INR by 5% | (0.91) | (0.33) |
| Strengthening of INR by 5% | 0.91 | 0.33 |
| EURO sensitivity at year end | | |
| Assets: | | |
| Weakening of INR by 5% * | 0.00 | 0.00 |
| Strengthening of INR by 5% * | (0.00) | (0.00) |
| Liabilities: | | |
| Weakening of INR by 5% | - | - |
| Strengthening of INR by 5% | - | - |

* indicate amount less than ₹ 1 thousand

(II) Interest rate risk

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

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

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

(III) Price risk

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

NAV price sensitivity analysis

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

Profit for the year ended March 31, 2021 would increase/decrease by ₹ 26.33 Lakhs (for the year ended March 31, 2020: increase/decrease by ₹ 18.88 Lakhs).

(b) Credit risk

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

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

| Particulars | (Amount ₹ in Lakhs) | |
|-----------------------------|-------------------------|-------------------------|
| | As At March 31, 2021 | As At March 31, 2020 |
| Within the credit period | 37,212.00 | 25,445.74 |
| Upto 6 months past due | - | - |
| More than 6 months past due | 3.43 | 3.43 |
| Total | 37,215.43 | 25,449.17 |

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

(c) Liquidity risk

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

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

| Particulars | (Amount ₹ in Lakhs) | | |
|-----------------------------|---------------------|------------------|-------------------|
| | 1 month - 1 year | 1 year – 3 years | More than 3 years |
| As at March 31, 2021 | | | |
| Long term borrowings | 1,515.10 | 4,717.68 | 637.52 |
| Short term borrowings | - | - | - |
| Trade payables | 32,315.85 | - | - |
| Lease Liabilities | 105.90 | 377.28 | 544.19 |
| Other financial liabilities | 1,519.65 | - | 83.33 |
| Total | 35,456.50 | 5,094.96 | 1,265.04 |
| As at March 31, 2020 | | | |
| Long term borrowings | 1,229.27 | 4,780.79 | 2,010.36 |
| Short term borrowings | 1,000.00 | - | - |
| Trade payables | 26,033.06 | - | - |
| Lease Liabilities | 81.08 | 343.02 | 686.14 |
| Other financial liabilities | 1,562.82 | - | 83.33 |
| Total | 29,906.22 | 5,123.81 | 2,779.84 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

| (Amount ₹ in Lakhs) | | | |
|-----------------------------|------------------|------------------|-------------------|
| Particulars | 1 month -1 year | 1 year – 3 years | More than 3 years |
| As at March 31, 2021 | | | |
| Trade and other receivables | 37,212.00 | - | - |
| Investments in Mutual funds | 2,632.63 | - | - |
| Loans | 63.96 | - | 220.61 |
| Total | 39,908.59 | - | 220.61 |
| As at March 31, 2020 | | | |
| Trade and other receivables | 25,445.74 | - | - |
| Investments in Mutual funds | 1,888.01 | - | - |
| Loans | 63.52 | - | 217.61 |
| Other financial assets | 41.67 | - | - |
| Total | 27,438.94 | - | 217.61 |

The Company has access to committed credit facilities as described below, of which ₹ 8,232.63 Lakhs were unused at the end of the reporting year (as at March 31, 2020 ₹ 6,375.68 Lakhs). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

| (Amount ₹ in Lakhs) | | |
|--|-------------------------|-------------------------|
| Unsecured bank overdraft facility, reviewed annually and payable at call | As at March 31, 2021 | As at March 31, 2020 |
| Amount used | 6,930.37 | 9,097.32 |
| Amount unused | 8,232.63 | 6,375.68 |

50 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD -115 ARE GIVEN BELOW

- (i) The Company derives revenues from sale of goods, scrap and services from its contracts with customers. The revenues have been disclosed in Note No. 34 "Revenue from Operations".
- The revenues are further disaggregated into revenues from domestic as well as export market. Refer Note No. 47 "Segment Reporting" for details.
- (ii) The Company does not have any contract asset. The opening and closing balances of trade receivables and Contract liability are as under:

| (Amount ₹ in Lakhs) | | |
|---------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Trade Receivables | 37,212.00 | 25,445.74 |
| Contract Liability | | |
| Advances from customers | 12.04 | 434.67 |

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

51 RELATED PARTY DISCLOSURES

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

(A) Holding Company:

Thakurdevi Investments Private Limited

(B) Key Managerial Personnel:

| | |
|-------------------------|---|
| Mr. Sudhir Kumar Munjal | Chairman and Managing Director |
| Mrs. Anju Munjal | Whole-time Director |
| Mr. Anuj Munjal | Whole-time Director |
| Mr. S. K. Sharma | Chief Financial Officer (upto October 28, 2020) |
| Mr. B. P. Yadav | Chief Financial Officer (from October 29, 2020 onwards) |
| Mr. Rakesh Johari | Company Secretary |
| Mr. Vikram Shah | Independent Director |
| Mr. Naresh Kumar Chawla | Independent Director |
| Mr. Mahendra Sanghvi | Independent Director |
| Mr. Ramkisan Devidayal | Independent Director |
| Mr. Sudesh Kumar Duggal | Independent Director |
| Mr. Jal Ratanshaw Patel | Independent Director |
| Ms. Avi Sabavala | Independent Director (from April 01, 2020) |

(C) Enterprise in which Directors and their relatives are directors/ partners / members / trustees:

| | |
|--|---|
| Sara Training and Education LLP | Sara Investment Services Private Limited |
| Thakurdevi Investments Private Limited | Fetlock Traders Private Limited |
| Sara Investments | Inder Mohini Bhasin Charitable Foundation |
| Sudhir Kumar & Sons HUF | |

(D) Subsidiary Company:

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

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

(Amount ₹ in Lakhs)

| Nature of Transaction | Holding Company | Subsidiary Company | Key Managerial personnel | Enterprise in which directors and their relatives are directors | Total |
|--------------------------|-----------------|--------------------|--------------------------|---|---------------|
| Remuneration paid | - | - | 789.31 | - | 789.31 |
| | - | - | (1,022.81) | - | (1,022.81) |
| Mr. Sudhir Kumar Munjal | - | - | 262.51 | - | 262.51 |
| | - | - | (340.21) | - | (340.21) |
| Mrs. Anju Munjal | - | - | 229.70 | - | 229.70 |
| | - | - | (297.69) | - | (297.69) |
| Mr. Anuj Munjal | - | - | 229.70 | - | 229.70 |
| | - | - | (297.69) | - | (297.69) |
| Mr. S. K. Sharma | - | - | 30.07 | - | 30.07 |
| | - | - | (63.33) | - | (63.33) |
| Mr. B. P. Yadav | - | - | 15.39 | - | 15.39 |
| | - | - | - | - | - |
| Mr. Rakesh Johari | - | - | 21.95 | - | 21.95 |
| | - | - | (23.90) | - | (23.90) |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

| (Amount ₹ in Lakhs) | | | | | |
|--|-----------------|--------------------|--------------------------|--|---------------|
| Nature of Transaction | Holding Company | Subsidiary Company | Key Managerial personnel | Enterprise in which directors and their relatives are partners/members/trustee | Total |
| Sitting Fees paid | - | - | 20.08 | - | 20.08 |
| | - | - | (16.84) | - | (16.84) |
| Mr. Vikram Shah | - | - | 3.08 | - | 3.08 |
| | - | - | (4.04) | - | (4.04) |
| Mr. Naresh Kumar Chawla | - | - | 3.40 | - | 3.40 |
| | - | - | (3.00) | - | (3.00) |
| Mr. Mahendra Sanghvi | - | - | 2.80 | - | 2.80 |
| | - | - | (3.40) | - | (3.40) |
| Mr. Ramkisan Devidayal | - | - | 2.80 | - | 2.80 |
| | - | - | (2.60) | - | (2.60) |
| Mr. Sudesh Kumar Duggal | - | - | 3.40 | - | 3.40 |
| | - | - | (1.80) | - | (1.80) |
| Mr. Jal Ratanshaw Patel | - | - | 2.80 | - | 2.80 |
| | - | - | (2.00) | - | (2.00) |
| Ms. Avi Sabavala | - | - | 1.80 | - | 1.80 |
| | - | - | - | - | - |
| Payments made by the Company on behalf of | - | - | - | 2.46 | 2.46 |
| | (2.22) | - | (0.38) | (39.15) | (41.75) |
| Thakurdevi Investments Private Limited | - | - | - | - | - |
| | (2.22) | - | - | - | (2.22) |
| Sara Investments | - | - | - | - | - |
| | - | - | - | (37.81) | (37.81) |
| Sudhir Kumar & Sons HUF | - | - | - | - | - |
| | - | - | - | (1.06) | (1.06) |
| Inder Mohini Bhasin Charitable Foundation | - | - | - | 2.46 | 2.46 |
| | - | - | - | (0.28) | (0.28) |
| Mr. Sudhir Kumar Munjal | - | - | - | - | - |
| | - | - | (0.38) | - | (0.38) |
| Dividend Paid | - | - | - | - | - |
| | (748.06) | - | - | - | (748.06) |
| Thakurdevi Investments Private Limited | - | - | - | - | - |
| | (748.06) | - | - | - | (748.06) |
| Rent Paid | - | - | - | 191.50 | 191.50 |
| | - | - | - | (191.50) | (191.50) |
| Sara Investments | - | - | - | 191.50 | 191.50 |
| | - | - | - | (191.50) | (191.50) |
| Rent received | - | 607.70 | - | - | 607.70 |
| | - | (442.50) | - | - | (442.50) |
| Indutch Composites Technology Private Limited | - | 607.70 | - | - | 607.70 |
| | - | (442.50) | - | - | (442.50) |



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

| Nature of Transaction | Holding Company | Subsidiary Company | Key Managerial personnel | Enterprise in which directors and their relatives are partners/members/ trustee | Total |
|---|-----------------|--------------------|--------------------------|---|--------------|
| Deposit received | - | - | - | - | - |
| | - | (83.33) | - | - | (83.33) |
| Indutch Composites Technology Private Limited | - | - | - | - | - |
| | - | (83.33) | - | - | (83.33) |
| Balance as at the year end : | - | - | 35.46 | - | 35.46 |
| Remuneration payable | - | - | (40.15) | - | (40.15) |
| Mr. Sudhir Kumar Munjal | - | - | 12.00 | - | 12.00 |
| | - | - | (14.50) | - | (14.50) |
| Mrs. Anju Munjal | - | - | 7.27 | - | 7.27 |
| | - | - | (8.56) | - | (8.56) |
| Mr. Anuj Munjal | - | - | 12.90 | - | 12.90 |
| | - | - | (12.69) | - | (12.69) |
| Mr. S. K. Sharma | - | - | - | - | - |
| | - | - | (2.84) | - | (2.84) |
| Mr. B. P. Yadav | - | - | 2.04 | - | 2.04 |
| | - | - | - | - | - |
| Mr. Rakesh Johari | - | - | 1.24 | - | 1.24 |
| | - | - | (1.55) | - | (1.55) |
| Amount Payable | - | 83.33 | - | - | 83.33 |
| | - | (83.33) | - | - | (83.33) |
| Indutch Composites Technology Private Limited | - | 83.33 | - | - | 83.33 |
| | - | (83.33) | - | - | (83.33) |
| Amount receivable | - | 51.13 | - | - | 51.13 |
| | - | (98.33) | - | - | (98.33) |
| Indutch Composites Technology Pvt. Ltd. | - | 51.13 | - | - | 51.13 |
| | - | (98.33) | - | - | (98.33) |

Amounts in bracket indicate previous year figures.

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Short-term employee benefits | 690.79 | 903.05 |
| Post-employment benefits (excluding Leave encashment) | 98.52 | 119.76 |

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

- Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.
- There is no allowance account for impaired receivables in relation to any outstanding balances and no expense has been recognised in respect of impaired receivables due from related party.
- All Outstanding balances are unsecured and are repayable/receivable in cash.

52 The spread of Covid 19 has affected the business operations post the national lock down. The Company has taken various measures

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

in consonance with Central and State Government advisories to contain the pandemic, which included closing of manufacturing facilities. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligation and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or, in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the Company has now resumed its operations, however, some of the staff continues to operate from home. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and make necessary measures to address the situation.

- 53 Previous year's figures have been regrouped, wherever necessary, to conform to current year classification.
- 54 The standalone financial statement of the Company are approved by the Board of Directors in the meeting held on June 09, 2021.

| | | | |
|--|--|--|---|
| As per our report of even date attached For K. C. Mehta & Co. Chartered Accountants Vishal P. Doshi Partner Membership No. 101533 Place : Vadodara Date : June 09, 2021 | For and on behalf of the Board of Directors of Munjal Auto Industries Limited | | |
| | Sudhir Kumar Munjal Chairman & Managing Director DIN - 00084080 | Anju Munjal Whole Time Director DIN - 00007867 | |
| | Rakesh Johari Company Secretary | B P Yadav Chief Financial Officer | Vikram Shah Chairman Audit Committee DIN - 00007914 |
| | Place : Gurugram Date : June 09, 2021 | | |



INDEPENDENT AUDITOR'S REPORT

To
THE MEMBERS OF
MUNJAL AUTO INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Munjali Auto Industries Limited** ("the Holding Company" or "the Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary as referred to in the "Other Matter", the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to at the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

| Sr. No. | Key Audit Matters | How our audit addressed the key audit matters |
|---------|---|---|
| 1. | <p><u>Recognition and Measurement of Deferred Taxes including Minimum Alternate Tax (MAT) credit:</u></p> <p><i>(Refer to note 4 (xvi), 10 and 41 to the consolidated financial statements)</i></p> <p>The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of tax base of assets and liabilities. This requires significant calculations on account of the tax regulations, most of which are complex. The effects and the measurement of deferred tax assets and liabilities require detailed knowledge of the applicable tax law.</p> <p>We have considered the recognition and measurement of deferred tax assets including MAT credit as Key Audit Matter as recognition of these assets involves judgement by management as to the likelihood of the realization of these deferred tax assets, which is based on a number of factors including whether there will be sufficient taxable profits in future periods to support recognition.</p> | <p><u>Principal Audit Procedures</u></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Evaluating management's assessment on the sufficiency of future taxable profits in support of the recognition of deferred tax asset by comparing management's forecasts of future profits to historical results and evaluating the assumptions used in those forecasts. - Inquiry and critical analysis of the management judgement on recognition of deferred tax asset. - Assessing the adequacy of the deferred tax disclosures to the consolidated financial statements. <p><u>Conclusion:</u></p> <p>Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in consolidated financial statements.</p> |

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report and Shareholder's Information but does not include the consolidated financial statements and our Auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group incorporated



in India have adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

We did not audit the financial statements of a subsidiary, whose financial statements for the year ended reflect below values, as considered in the consolidated financial statements.

| Particulars | Amount in Lakh |
|----------------------------|----------------|
| Total Assets | ₹ 17,709.03 |
| Total Revenues | ₹ 14,067.80 |
| Total Comprehensive Income | ₹ 11.89 |
| Net Cash Outflow | ₹ 0.16 |

These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements and on the other financial information of subsidiary as noted in "Other Matter" paragraph above, we report, to the extent applicable, that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;
- d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.;
- f. with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements, the remuneration paid by the Holding Company and subsidiary company incorporated in India to whom section 197 is applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act: and

- h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 42 to the consolidated financial statements;
 - ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2021;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

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

Vishal P. Doshi
Partner

Membership No.101533
UDIN:21101533AAAABW6577

Place : Vadodara
Date : June 09, 2021



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to consolidated financial statements of Munjal Auto Industries Limited ("the Holding Company") and its subsidiary company as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject

to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vishal P. Doshi
Partner
Membership No.101533
UDIN:21101533AAAABW6577

Place : Vadodara
Date : June 09, 2021



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

| | | (Amount ₹ in Lakhs) | |
|--|------|-------------------------|-------------------------|
| Particulars | Note | As at March 31, 2021 | As at March 31, 2020 |
| ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, plant and equipment | 6 | 25,434.02 | 27,921.64 |
| (b) Capital work-in-progress | | 115.59 | 165.65 |
| (c) Goodwill on consolidation | | 46.05 | 46.05 |
| (d) Other intangible assets | 7 | 215.05 | 263.42 |
| (e) Right of use assets | 8 | 4,592.95 | 6,118.36 |
| (f) Financial assets | | | |
| - Deposits | 9 | 901.94 | 617.04 |
| (g) Deferred tax assets (net) | 10 | 659.26 | 1,247.48 |
| (h) Other non-current assets | 11 | 1,223.85 | 1,757.19 |
| Total Non-Current Assets | | 33,188.71 | 38,136.84 |
| (2) Current Assets | | | |
| (a) Inventories | 12 | 8,305.91 | 9,276.39 |
| (b) Financial assets | | | |
| (i) Investments | 13 | 2,635.21 | 2,072.69 |
| (ii) Trade receivables | 14 | 41,635.92 | 26,887.18 |
| (iii) Cash and cash equivalents | 15 | 1,522.37 | 1,558.17 |
| (iv) Other bank balances | 16 | 281.45 | 139.14 |
| (v) Loans | 17 | 169.33 | 137.06 |
| (vi) Other financial assets | 18 | 7.22 | 41.91 |
| (c) Current tax assets (net) | 19 | 431.33 | 496.55 |
| (d) Other current assets | 20 | 718.37 | 883.95 |
| (e) Non-Current assets held for sale | 8 | 689.64 | - |
| Total Current Assets | | 56,396.75 | 41,493.03 |
| Total Assets | | 89,585.46 | 79,629.87 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 21 | 2,000.00 | 2,000.00 |
| (b) Other equity | 22 | 29,053.11 | 26,892.63 |
| Equity attributable to owners of the Company | | 31,053.11 | 28,892.63 |
| (c) Non Controlling Interest | 23 | 1,163.82 | 1,164.64 |
| Total Equity | | 32,216.93 | 30,057.27 |
| Liabilities | | | |
| (1) Non-Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 24 | 7,921.71 | 9,324.93 |
| (ii) Other financial liabilities | 25 | 3,199.18 | 3,088.27 |
| (b) Provisions | 26 | 865.51 | 857.46 |
| (c) Deferred tax liability (net) | 10 | 113.19 | 65.61 |
| Total Non-Current Liabilities | | 12,099.59 | 13,336.27 |
| (2) Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 27 | 1,210.09 | 1,591.15 |
| (ii) Trade payables | 28 | | |
| (A) Total outstanding dues of micro and small enterprises | | 3,469.58 | 3,874.42 |
| (B) Total outstanding dues of creditors other than micro and small enterprises | | 31,363.62 | 24,375.74 |
| (iii) Other financial liabilities | 29 | 5,207.78 | 4,309.93 |
| (b) Other current liabilities | 30 | 3,181.74 | 1,423.08 |
| (c) Current tax liabilities (net) | 31 | 186.85 | - |
| (d) Provisions | 32 | 649.28 | 662.00 |
| Total Current Liabilities | | 45,268.94 | 36,236.32 |
| Total Equity and Liabilities | | 89,585.46 | 79,629.87 |

Significant Accounting Policies and Notes to Consolidated Financial Statements

1-54

As per our report of even date attached
For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : June 09, 2021

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

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080
Rakesh Johari
Company Secretary

Place : Gurugram
Date : June 09, 2021

Anju Munjal
Whole Time Director
DIN - 00007867
B P Yadav
Chief Financial Officer

Vikram Shah
Chairman Audit Committee
DIN - 00007914

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

| Particulars | Note | (Amount ₹ in Lakhs) | |
|---|------|--------------------------------------|--------------------------------------|
| | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| I INCOME | | | |
| Revenue from operations | 33 | 2,13,438.29 | 1,23,556.71 |
| Other income | 34 | 532.62 | 541.87 |
| Total Income | | 2,13,970.91 | 1,24,098.58 |
| II EXPENSES | | | |
| Cost of raw materials consumed | 35 | 1,83,321.85 | 92,534.60 |
| Changes in inventories of finished goods and work-in-progress | 36 | (585.21) | 1,160.13 |
| Employee benefits expenses | 37 | 9,136.48 | 11,059.47 |
| Finance costs | 38 | 1,562.99 | 1,204.93 |
| Depreciation and amortization expenses | 39 | 3,901.11 | 3,149.97 |
| Other expenses | 40 | 13,315.99 | 14,283.32 |
| Total Expenses | | 2,10,653.21 | 1,23,392.42 |
| Exceptional Items | | - | (32.56) |
| III Profit Before Tax (I-II) | | 3,317.70 | 673.60 |
| IV Income Tax expenses | 41 | | |
| (a) Current tax relating to: | | | |
| - current year | | 999.20 | 122.52 |
| - earlier years | | 6.46 | 3.78 |
| (b) Deferred tax | | 267.98 | 173.43 |
| V Profit for the year (III-IV) | | 2,044.06 | 373.87 |
| VI Other Comprehensive Income (OCI) | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Re-measurement of the defined benefit plans | | 169.19 | (35.81) |
| - Income tax impact | 41 | (53.60) | 13.56 |
| | | 115.59 | (22.25) |
| VII Total Comprehensive Income for the year (VII+VIII) | | 2,159.65 | 351.62 |
| Profit for the year attributable to: | | | |
| - Owners of the Company | | 2,062.80 | 412.18 |
| - Non-controlling interests | | (18.74) | (38.31) |
| | | 2,044.06 | 373.87 |
| Other comprehensive income for the year attributable to: | | | |
| - Owners of the Company | | 97.68 | (25.01) |
| - Non-controlling interests | | 17.91 | 2.75 |
| | | 115.59 | (22.26) |
| Total comprehensive income for the year attributable to: | | | |
| - Owners of the Company | | 2,160.47 | 387.18 |
| - Non-controlling interests | | (0.82) | (35.56) |
| | | 2,159.65 | 351.62 |
| VIII Earnings per equity share (Nominal value of ₹ 2 each) | | | |
| Basic and diluted (in ₹) | 43 | 2.04 | 0.37 |
| Significant Accounting Policies and Notes to Consolidated Financial Statements | 1-54 | | |

As per our report of even date attached
For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

Place : Vadodara
Date : June 09, 2021

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

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080
Rakesh Johari
Company Secretary

Anju Munjal
Whole Time Director
DIN - 00007867
B P Yadav
Chief Financial Officer

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Gurugram
Date : June 09, 2021



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

(Amount ₹ in Lakhs)

| Particulars | |
|---|----------|
| Balance as on March 31, 2019 | 2,000.00 |
| Changes in equity share capital during the year | - |
| Balance as on March 31, 2020 | 2,000.00 |
| Changes in equity share capital during the year | - |
| Balance as on March 31, 2021 | 2,000.00 |

B. OTHER EQUITY

(Amount ₹ in Lakhs)

| Particulars | Reserves and Surplus | | | Attributable to owners of the Company | Attributable to Non-Controlling Interest | Total |
|--|----------------------|-----------------|-------------------|---------------------------------------|--|------------|
| | Capital Reserve | General Reserve | Retained Earnings | | | |
| Balance as at March 31, 2019 | 2.09 | 1,848.73 | 25,860.20 | 27,711.01 | 1,200.20 | 28,911.21 |
| Profit for the year | - | - | 412.18 | 412.18 | (38.31) | 373.87 |
| Other Comprehensive Income for the year, net of income tax | - | - | (25.01) | (25.01) | 2.75 | (22.26) |
| Total Comprehensive Income for the year | - | - | 387.17 | 387.17 | (35.56) | 351.61 |
| Transactions with owners, recorded directly in equity | | | | | | |
| Payment of dividend | - | - | (1,000.00) | (1,000.00) | - | (1,000.00) |
| Tax on dividend | - | - | (205.55) | (205.55) | - | (205.55) |
| Total Distributions | - | - | (1,205.55) | (1,205.55) | - | (1,205.55) |
| Balance as at March 31, 2020 | 2.09 | 1,848.73 | 25,041.81 | 26,892.63 | 1,164.64 | 28,057.27 |
| Profit for the year | - | - | 2,062.80 | 2,062.80 | (18.74) | 2,044.06 |
| Other Comprehensive Income for the year, net of income tax | - | - | 97.68 | 97.68 | 17.91 | 115.59 |
| Total Comprehensive Income for the year | - | - | 2,160.48 | 2,160.48 | (0.82) | 2,159.65 |
| Balance as at March 31, 2021 | 2.09 | 1,848.73 | 27,202.29 | 29,053.11 | 1,163.82 | 30,216.93 |

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

As per our report of even date attached

For K. C. Mehta & Co.

Chartered Accountants

Vishal P. Doshi

Partner

Membership No. 101533

Place : Vadodara

Date : June 09, 2021

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080

Rakesh Johari
Company Secretary

Place : Gurugram
Date : June 09, 2021

Anju Munjal
Whole Time Director
DIN - 00007867

B P Yadav
Chief Financial Officer

Vikram Shah
Chairman Audit Committee
DIN - 00007914

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

| | (Amount ₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 3,317.70 | 717.74 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 4,076.29 | 3,335.83 |
| Finance Cost | 1,895.61 | 1,371.09 |
| Loss on Property, Plant and Equipment sold/discarded (net) | 55.93 | 0.24 |
| Unwinding of discount | 21.01 | 14.47 |
| Re-measurement of Defined benefit plans | 169.19 | (59.07) |
| Interest Income | (7.97) | (14.22) |
| Dividend received | (3.86) | (13.57) |
| Profit on sale of Current Investments | (85.41) | (25.73) |
| Gain on investments carried at fair value through Profit or Loss | (3.94) | (10.47) |
| Sundry balances written back (net) | (10.38) | (4.73) |
| Provision for Capital Advances | 29.00 | - |
| Unrealised foreign exchange loss/(gain) | 2.79 | 2.63 |
| Operating profit before working capital changes | 9,455.97 | 5,314.21 |
| Adjustment for (increase)/decrease in operating assets | | |
| Inventories | 970.48 | (1,816.49) |
| Trade receivables | (14,799.43) | (10,694.11) |
| Other financial assets | 104.98 | (2,139.11) |
| Other assets | 645.35 | (249.53) |
| Adjustment for increase/(decrease) in operating liabilities | | |
| Trade payables | 6,641.32 | 13,149.29 |
| Provisions | 79.39 | 305.93 |
| Other liabilities | 2,462.16 | 5,412.34 |
| Cash flow from operations after changes in working capital | 5,560.22 | 9,282.53 |
| Less: Direct taxes paid (Net of refund) | (789.64) | (612.54) |
| Net Cash generated from Operating Activities | 4,770.58 | 8,669.99 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment including capital advances & CWIP | (1,492.90) | (12,847.74) |
| Proceeds from sale of property, plant and equipment | 645.35 | 79.33 |
| Purchase of Investments | (1,09,102.91) | (58,654.69) |
| Sale of Investments | 1,08,626.83 | 57,365.08 |
| Interest Income | 45.57 | 8.98 |
| Dividend received | 3.86 | 13.57 |
| Bank Balances not considered as Cash and Cash Equivalents | (142.31) | 124.20 |
| Net Cash generated (used in) Investing Activities | (1,416.52) | (13,911.27) |



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021 (Continued)

| | (Amount ₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowings | 241.67 | 7,911.39 |
| Repayment of borrowings | (1,359.05) | (1,050.56) |
| Dividend paid | - | (1,000.00) |
| Tax on dividend | - | (205.55) |
| Payment of lease liabilities | (177.29) | (177.29) |
| Net Increase/(Decrease) in working capital borrowings | (381.06) | 573.57 |
| Interest expenses | (1,714.12) | (1,313.06) |
| Net Cash Flow from/(used in) Financing Activities | (3,389.85) | 4,738.50 |
| D. Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C) | (35.80) | (502.78) |
| Cash & Cash Equivalents at beginning of year (see Note) | 1,558.17 | 2,060.95 |
| Cash and Cash Equivalents at end of year (see Note) | 1,522.37 | 1,558.17 |

Notes:

1 Cash and cash equivalents comprise of:

| | | |
|--|-----------------|-----------------|
| Cash on hands | 9.29 | 14.73 |
| Balance with banks | | |
| In current accounts | 1,512.87 | 142.25 |
| In Cash Credit Accounts | 0.21 | 1.19 |
| In fixed deposits | - | 1,400.00 |
| Cash and cash equivalents as restated | 1,522.37 | 1,558.17 |

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

3 Reconciliation of Liabilities from financial activities:

| | (Amount ₹ in Lakhs) | | |
|---------------------------------|---------------------|----------------------|-----------------------|
| Particulars | Lease Liabilities | Long-term borrowings | Short-term borrowings |
| Opening Balance (20-21) | 1,110.24 | 11,054.19 | 1,591.15 |
| Opening Balance (19-20) | - | 4,193.36 | 1,017.59 |
| Cash inflow / (outflow) (20-21) | (82.87) | (1,117.38) | (381.06) |
| Cash inflow / (outflow) (19-20) | (84.44) | 6,860.83 | 573.57 |
| Non Cash Changes (20-21) | - | - | - |
| Non Cash Changes (19-20) | 1,194.68 | - | - |
| Closing Balance (20-21) | 1,027.37 | 9,936.81 | 1,210.09 |
| Closing Balance (19-20) | 1,110.24 | 11,054.19 | 1,591.15 |

| | | | |
|--|---|--|---|
| As per our report of even date attached For K. C. Mehta & Co. Chartered Accountants Vishal P. Doshi Partner Membership No. 101533 Place : Vadodara Date : June 09, 2021 | For and on behalf of the Board of Directors of Munjal Auto Industries Limited | | |
| | Sudhir Kumar Munjal Chairman & Managing Director DIN - 00084080 Rakesh Johari Company Secretary | Anju Munjal Whole Time Director DIN - 00007867 B P Yadav Chief Financial Officer | Vikram Shah Chairman Audit Committee DIN - 00007914 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**1 CORPORATE INFORMATION**

Munjal Auto Industries Limited ('the Company') is a public limited company domiciled and incorporated in India having its registered office at 187, GIDC Estate, Waghodia, District: Vadodara- 391760. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). As at March 31, 2021, Thakur Devi Investments Private Limited, the holding company owned 74.81% of the Company's equity share capital.

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

2 APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

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

Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new Standard or Amendments to the existing Standards. There are no such notification which would have been applicable from April 1, 2021.

3 BASIS OF PREPARATION AND PRESENTATION**i. Statement of Compliance**

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

ii. Basis of preparation

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

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

iii. Operating Cycle

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

4 SIGNIFICANT ACCOUNTING POLICIES**i. Principles of Consolidation**

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

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

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

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

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

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

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

ii. Business Combination

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

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

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

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

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

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

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

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

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

iii. Non Controlling Interest

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

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

iv. Goodwill on Consolidation

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

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

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

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

v. Property, plant and equipment

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such

properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

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

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

vi. Intangible Assets

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

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

vii. Impairment of tangible and intangible assets

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

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

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

viii. Non-Current Assets held for Sale

The Group classifies Non-Current Assets as held for sale/disposal if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

ix. Inventories

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

Scrap is valued at estimated net realisable value.

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

Provisions are made for obsolete and non-moving inventories.

x. Revenue Recognition

The Group earns revenue primarily from sale of goods.

(a) Sale of goods

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

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

(b) Dividend and interest income

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

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

(c) Other income

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

xi. Government Grants

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

xii. Leases**As a lessee**

The Company's lease assets primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is or contains, a lease if the contract conveys the right to control the use of an identified

asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases and corresponding Right-of-use Asset. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Right-of-use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use Assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

As a Lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. The Company has leased out its Investment Property classifying such lease as an Operating Lease, because it does not transfer substantially all of the risks and rewards incidental to the ownership of such Investment Property. Note 4 (v) sets out the information about the said Investment Property.

xiii. Foreign Currency Transactions

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

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

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

xiv. Borrowing costs

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

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

xv. Employee Benefits

(a) Short-term employee benefits

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

(b) Post-employment Benefits**(1) Defined Contribution Plan**

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

(2) Defined Benefit Plan

Defined retirement benefit plans comprising of gratuity are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Consolidated Statement of Profit and Loss except those included in cost of assets as permitted.

Remeasurement of defined retirement benefit plans comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above) are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to the Consolidated Statement of Profit and Loss.

The retirement benefit obligation recognised in the Financial Statements represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

(c) Other long term employee benefits

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

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

xvi. Income Taxes

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

(a) Current Tax

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

(b) Deferred Tax

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

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

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

follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

(c) Current and deferred tax for the year

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

xvii. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

Product Warranty expenses

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

xviii. Financial Instruments

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

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

xix. Financial Assets

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

(a) Financial assets at amortised cost

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

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

Financial assets are measured at fair value through other comprehensive income (FVTOCI) if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal

and interest on the principal amount outstanding. These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

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

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

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

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

(d) Impairment of financial assets

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

(e) Derecognition of financial assets

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

xx. Financial Liabilities and Equity Instruments

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

(a) Financial liabilities

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

(b) Equity instruments

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

(c) Derecognition of financial liabilities

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

xxi. Research and Development Expenditure

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

xxii. Statement of Cash Flows

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

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

(i) Critical judgments in applying accounting policies

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

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

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

(ii) Assumptions and key sources of estimation uncertainty

(a) Assets and obligations relating to employee benefits

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

(b) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

(c) Estimation of provision for warranty

Management estimates the related provision for future warranty claims based on certain percentages of revenue. The provision is based on historical information on the nature, frequency and average cost of warranty claims. Management also estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 1 to 5 years.

The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives.

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

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

(e) Identification of leases, duration and value

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease and to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is rate of interest that the Group would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
6 PROPERTY, PLANT AND EQUIPMENT

(Amount ₹ in Lakhs)

| Particulars | Tangible Assets | | | | | | | | Total |
|--------------------------|-----------------|----------|-------------------|--------------------------|----------------------|----------|------------------|-----------|-----------|
| | Freehold Land | Building | Plant & Equipment | Lease hold Improve-ments | Furniture & Fixtures | Vehicles | Office Equipment | Computers | |
| GROSS BLOCK | | | | | | | | | |
| At April 1, 2019 | 1,796.86 | 6,326.18 | 14,930.46 | 682.74 | 425.03 | 859.36 | 210.16 | 122.46 | 25,353.25 |
| Additions | - | 3,031.37 | 7,340.20 | - | 202.48 | 86.48 | 18.20 | 47.71 | 10,726.44 |
| Deduction/Adjustments | - | - | 56.26 | 328.16 | - | 74.38 | - | 0.04 | 458.84 |
| At March 31, 2020 | 1,796.86 | 9,357.54 | 22,214.41 | 354.59 | 627.51 | 871.45 | 228.36 | 170.12 | 35,620.84 |
| Additions | - | 96.72 | 768.64 | - | 27.35 | 16.23 | 19.10 | 14.78 | 942.81 |
| Deduction/Adjustments | - | - | 800.40 | - | 1.16 | 45.85 | - | - | 847.41 |
| At March 31, 2021 | 1,796.86 | 9,454.26 | 22,182.65 | 354.59 | 653.70 | 841.83 | 247.46 | 184.90 | 35,716.25 |
| ACCUMULATED DEPRECIATION | | | | | | | | | |
| At April 1, 2019 | - | 611.05 | 4,332.43 | 137.39 | 55.09 | 275.22 | 116.27 | 83.58 | 5,611.03 |
| Charge for the year | - | 304.87 | 1,686.01 | 38.46 | 28.05 | 115.96 | 35.80 | 41.87 | 2,251.02 |
| Deduction/Adjustments | - | - | 4.73 | 111.78 | - | 46.34 | - | - | 162.85 |
| At March 31, 2020 | - | 915.93 | 6,013.72 | 64.06 | 83.14 | 344.84 | 152.06 | 125.45 | 7,699.21 |
| Charge for the year | - | 318.22 | 2,100.58 | 38.46 | 65.55 | 113.12 | 27.85 | 40.03 | 2,703.82 |
| Deduction/Adjustments | - | - | 84.14 | - | - | 36.65 | - | - | 120.79 |
| At March 31, 2021 | - | 1,234.15 | 8,030.16 | 102.51 | 148.69 | 421.31 | 179.91 | 165.49 | 10,282.23 |
| NET BLOCK | | | | | | | | | |
| At March 31, 2020 | 1,796.86 | 8,441.62 | 16,200.69 | 290.53 | 544.37 | 526.61 | 76.30 | 44.67 | 27,921.64 |
| At March 31, 2021 | 1,796.86 | 8,220.11 | 14,152.49 | 252.07 | 505.01 | 420.52 | 67.55 | 19.41 | 25,434.02 |

Notes:

- The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.
- For details of property, plant and equipment given as security to lenders, refer Note No. 24.
- The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- Contractual obligations: Refer to note 42 for disclosure on contractual commitments for the acquisition of property, plant and equipment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

| Particulars | Computer Software | Total |
|---------------------------------|-------------------|---------------|
| 7 INTANGIBLE ASSETS | | |
| GROSS BLOCK | | |
| At March 31, 2019 | 380.02 | 380.02 |
| Additions | 114.39 | 114.39 |
| Deduction/Adjustments | - | - |
| At March 31, 2020 | 494.41 | 494.41 |
| Additions | 38.10 | 38.10 |
| Deduction/Adjustments | - | - |
| At March 31, 2021 | 532.51 | 532.51 |
| ACCUMULATED AMORTISATION | | |
| At March 31, 2019 | 147.56 | 147.56 |
| Charge for the year | 83.43 | 83.43 |
| Deduction/Adjustments | - | - |
| At March 31, 2020 | 230.99 | 230.99 |
| Charge for the year | 86.47 | 86.47 |
| Deduction/Adjustments | - | - |
| At March 31, 2021 | 317.46 | 317.46 |
| Net Block | | |
| At March 31, 2020 | 263.42 | 263.42 |
| At March 31, 2021 | 215.05 | 215.05 |

- The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.
- The aggregate amortisation charge for the year has been included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

8 RIGHT OF USE ASSETS (Amount ₹ in Lakhs)

| Particulars/Assets | Right of Use Assets | | | Total |
|---|---------------------|-----------------|-------------------|-----------------|
| | Land | Building | Plant & Equipment | |
| At March 31, 2019 | - | - | - | - |
| Reclassified on account of adoption of Ind AS 116 | 2,346.32 | 4,664.77 | 55.73 | 7,066.82 |
| Less : Depreciation | 28.69 | 906.29 | 13.49 | 948.46 |
| As at March 31, 2020 | 2,317.63 | 3,758.49 | 42.24 | 6,118.36 |
| Add : Additions | - | 271.97 | - | 271.97 |
| Less : Non-Current Assets held for Sale | 689.64 | - | - | 689.64 |
| Less : Depreciation | 28.64 | 1,065.61 | 13.49 | 1,107.74 |
| As at March 31, 2021 | 1,599.35 | 2,964.85 | 28.75 | 4,592.95 |

The Holding Company has entered into an agreement to transfer the Right of Use Asset pertaining to Land located at Neemrana, Rajasthan. The transaction is set to be completed by October, 2021. It has also received non-refundable advance of ₹ 50 Lakhs for the same (refer note 30). The net book value of the assets to be transferred as per the agreement has been shown as Non-Current Assets held for disposal in the Balance Sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|--|--|-------------------------|-------------------------|
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| 9 DEPOSITS | | | |
| Unsecured, considered good | | | |
| Deposits | | 901.94 | 617.04 |
| Total | | 901.94 | 617.04 |
| 1) Deposits are largely in relation to public utilities and rental Aggrements. | | | |
| 2) However, the Group has not taken exhaustive search for information to assess significant increase in the credit risk since initial recognition. | | | |
| 10 DEFERRED TAX ASSETS (NET) | | | |
| Deferred tax Assets | | 2,856.10 | 3,324.60 |
| Deferred tax Liabilities | | (2,310.04) | (2,142.73) |
| Total | | 546.07 | 1,181.87 |
| For the Financial Year 2020-21: | | | |

| | | | (Amount ₹ in Lakhs) | |
|---|--|-----------------|------------------------|-----------------------------|
| Particulars | | | Deferred Tax Assets | Deferred Tax Liabilities |
| Opening Balance as at April 1, 2020 | | | 3,324.60 | 2,142.73 |
| Deferred tax recognized in Statement of Profit and Loss on account of: | | | | |
| Expenses claimed for tax purpose on payment basis | | 21.74 | - | - |
| Carry forward of business losses | | (194.04) | - | - |
| Impairment of trade receivables / advances | | 10.13 | - | - |
| Property, plant and equipment & intangible assets | | | | 115.43 |
| Financial assets carried at fair value through profit or loss | | - | | 1.38 |
| Others | | - | | (3.10) |
| Deferred Tax recognized in Other Comprehensive Income on account of: | | | | |
| Expenses claimed for tax purpose on payment basis | | - | | 53.60 |
| Deferred Tax setoff in balance sheet: | | | | |
| MAT Credit (Set-off) | | (314.23) | - | - |
| Adjustments | | 7.90 | - | - |
| Total | | 2,856.10 | 2,310.04 | |
| Net Deferred Tax* | | | | 546.06 |

*Includes deferred tax liability of ₹ 113.19 Lakhs of Subsidiary Company shown separately as non-current liabilities in Balance Sheet

For the Financial Year 2019-20:

| | | | |
|---|--|-----------------|-----------------|
| Opening Balance as at April 1, 2019 | | 2,947.45 | 1,606.89 |
| Deferred tax recognized in Statement of Profit and Loss on account of: | | | |
| Expenses claimed for tax purpose on payment basis | | 57.19 | - |
| Carry forward of business losses | | 194.04 | - |
| MAT Credit entitlement | | 109.34 | - |
| Property, plant and equipment & intangible assets | | | 535.58 |
| Financial assets carried at fair value through profit or loss | | - | (0.57) |
| Others | | | 0.84 |
| Deferred Tax recognized in Other Comprehensive Income on account of: | | | |
| Expenses claimed for tax purpose on payment basis | | 16.58 | - |
| Total | | 3,324.60 | 2,142.73 |
| Net Deferred Tax* | | | 1,181.87 |

* Includes deferred tax liability of ₹ 65.61 Lakhs of Subsidiary Company shown separately as non-current liabilities in Balance Sheet



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|--|--|-------------------------|-------------------------|
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| 11 OTHER NON-CURRENT ASSETS | | | |
| Unsecured, considered good | | | |
| Capital advances | | 31.22 | 74.74 |
| Advance Income tax (net of provisions) | | 286.38 | 70.93 |
| VAT/CST paid under protest | | 6.39 | 291.22 |
| Retention with Customer | | 899.86 | 1,320.30 |
| Total | | 1,223.85 | 1,757.19 |
| 12 INVENTORIES | | | |
| Raw materials | | 3,367.40 | 4,839.98 |
| Work in Progress | | 1,713.84 | 1,500.88 |
| Finished goods | | 2,811.39 | 2,623.60 |
| Finished goods - Stock in Transit | | 184.47 | - |
| Store and spares | | 228.81 | 311.92 |
| Total | | 8,305.91 | 9,276.39 |

- (i) Inventory write downs/ provisions for slow-moving and obsolete items are accounted, considering the nature of inventory, ageing, liquidation plan and net realizable value. Provision for slow-moving and obsolete items of inventories amounted to ₹ 290.59 Lakhs (March 31, 2020: ₹ 247.97 Lakhs). The changes in provisions are recognized as an expense in the Statement of Profit and Loss.
- (ii) Inventory of Finished goods includes inventory of tools & dies amounting to ₹ 20.66 Lakhs (March 31, 2020: ₹ 47.05 Lakhs).
- (iii) For Inventories given as security to lenders, refer Note No. 27.
- (iv) The cost of inventories recognised as an expense is disclosed in Notes 35, 36 and 40 to the Consolidated Statement of Profit and Loss.

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|----------------------|-----------------|----------------------|-----------------|
| | (Units in Nos.) | (₹ in Lakhs) | (Units in Nos.) | (₹ in Lakhs) |
| 13 INVESTMENTS | | | | |
| Financial assets carried at fair value through profit or loss: | | | | |
| Investment in Mutual Funds (Unquoted): | | | | |
| DSP Blackrock Microcap Fund | 89 | 2.59 | 6,544 | 184.68 |
| Kotak Overnight Fund | 227 | 2.49 | 1,87,907 | 1,888.01 |
| Kotak Liquid Reg Fund | 63,518 | 2,630.13 | | |
| Total | | 2,635.21 | | 2,072.69 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|--|--|-------------------------|-------------------------|
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| 14 | TRADE RECEIVABLES | | |
| | Unsecured, considered good | 41,635.92 | 26,887.18 |
| | Credit impaired | 3.43 | 3.43 |
| | Total (A) | 41,639.35 | 26,890.60 |
| | Less: Impairment for doubtful trade receivables (B) | 3.43 | 3.43 |
| | Total (A-B) | 41,635.92 | 26,887.18 |
| <p>(i) Generally, the Group enters into long-term sales arrangement with its customers. The average credit period is 45-60 days.</p> <p>(ii) At March 31, 2021, the group had two customers (March 31, 2020: two customer) having outstanding more than 5% of total trade receivables that accounted for approximately 90% (March 31, 2020: 86%) of total trade receivables outstanding.</p> <p>(iii) The Group assesses impairment loss on dues from its customers based on facts and circumstances relevant to each transaction. Usually, Company collects all its receivables from its customers within due date.</p> <p>(iv) No trade receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.</p> <p>(v) During the year ₹ 21.02 lakhs receivables have been derecognised since there is no reasonable expectation of measurability in terms of its probability of the amount and timing or receivability.</p> <p>(vi) Movement of Impairment for doubtful trade receivables:</p> | | | |
| | | (Amount ₹ in Lakhs) | |
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| | Balance at beginning of the year | 3.43 | 3.43 |
| | Addition in expected credit loss allowance on trade receivables | - | - |
| | Balance at end of the year | 3.43 | 3.43 |
| 15 | CASH AND CASH EQUIVALENTS | | |
| | Balances with banks | | |
| | In Cash Credit Accounts | 1,510.39 | 140.37 |
| | In Current Accounts | 2.69 | 3.07 |
| | In Fixed Deposits | - | 1,400.00 |
| | Cash on hand | 9.29 | 14.73 |
| | Total | 1,522.37 | 1,558.17 |
| 16 | OTHER BANK BALANCES | | |
| | Balances with banks | | |
| | Unclaimed Dividend Accounts (earmarked) | 91.50 | 104.14 |
| | Deposit with bank held as margin money against Bank guarantee & LC | 189.95 | 35.00 |
| | Total | 281.45 | 139.14 |
| 17 | CURRENT LOANS | | |
| | Unsecured, considered good | | |
| | Loans to employees | 12.93 | 13.19 |
| | Deposits | 134.07 | 101.53 |
| | Other advances | 22.33 | 22.33 |
| | Total | 169.33 | 137.06 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|---|--|-------------------------|-------------------------|
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| 18 OTHER CURRENT FINANCIAL ASSETS | | | |
| Unsecured, considered good | | | |
| Interest receivable | | 7.22 | 41.91 |
| Total | | 7.22 | 41.91 |
| 19 CURRENT TAX ASSETS (NET) | | | |
| Current Tax Assets | | | |
| Advance tax (net of provisions) | | 431.33 | 496.55 |
| Total | | 431.33 | 496.55 |
| 20 OTHER CURRENT ASSETS | | | |
| Unsecured, considered good | | | |
| Balance with Government Authorities | | 130.40 | 434.90 |
| Deposit (refer note below) | | 15.45 | 15.45 |
| Prepaid Expenses | | 286.45 | 252.55 |
| Advance to Vendors | | 286.07 | 181.04 |
| Total | | 718.37 | 883.95 |
| <p>The Company had deposited ₹ 15.45 Lakhs under protest towards octroi duty in a separate bank account jointly held with the Sarpanch, Waghodia Gram Panchayat. The State Government of Gujarat has notified that industrial units in the notified area of Waghodia is not required to pay the octroi duty from July 19, 1997. The Company believes it has no liability for octroi duty even for the earlier period and hence no provision has been made. In the absence of clarity regarding rights of respective parties, interest income credited by the bank amounting to ₹ 25.02 Lakhs (As at March 31, 2020: ₹ 23.94 Lakhs) on the aforesaid amount till March 31, 2021 has not been recognised.</p> | | | |
| 21 EQUITY SHARE CAPITAL | | | |
| Authorised Share capital | | | |
| 10,00,00,000 Equity Shares of ₹ 2 each | | 2,000.00 | 2,000.00 |
| Unclassified Shares | | 500.00 | 500.00 |
| Total Authorised Share capital | | 2,500.00 | 2,500.00 |
| Issued, subscribed & fully paid share capital | | | |
| 10,00,00,000 Equity Shares of ₹ 2 each | | 2,000.00 | 2,000.00 |
| Total | | 2,000.00 | 2,000.00 |

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

| (Amount ₹ in Lakhs) | | |
|--|---------------------|-----------------|
| Particulars | No. of Shares | Share Capital |
| As at March 31, 2019 | 10,00,00,000 | 2,000.00 |
| Add: Increase/(decrease) during the year | - | - |
| As at March 31, 2020 | 10,00,00,000 | 2,000.00 |
| Add: Increase/(decrease) during the year | - | - |
| As at March 31, 2021 | 10,00,00,000 | 2,000.00 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(ii) Rights, preferences and restrictions attached to shares

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

| Particulars | No. of shares | Extent of Holding |
|-------------|---------------|-------------------|
|-------------|---------------|-------------------|

(iii) Details of shares held by holding company of the Parent are classified as under:

Thakur Devi Investments Private Limited

As at March 31, 2021 7,48,06,450 74.81%

As at March 31, 2020 7,48,06,450 74.81%

(iv) Details of shareholders holding more than 5% shares in the Holding Company are as under:-

Thakur Devi Investments Private Limited

As at March 31, 2021 7,48,06,450 74.81%

As at March 31, 2020 7,48,06,450 74.81%

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

(Amount ₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---------------------------------|---------------------------------|
| 22 OTHER EQUITY | | |
| Capital Reserve | 2.09 | 2.09 |
| General Reserves | 1,848.73 | 1,848.73 |
| Retained Earnings | 27,202.29 | 25,041.81 |
| Total | 29,053.11 | 26,892.63 |
| (i) Particulars relating to Other Equity | | |
| Other Equity | As at March 31, 2021 | As at March 31, 2020 |
| Capital Reserve | | |
| Opening Balance | 2.09 | 2.09 |
| Add: Movements | - | - |
| Closing Balance (A) | 2.09 | 2.09 |
| General Reserves | | |
| Opening Balance | 1,848.73 | 1,848.73 |
| Add: Movements | - | - |
| Closing Balance (B) | 1,848.73 | 1,848.73 |
| Retained Earnings | | |
| Opening Balance | 25,041.81 | 25,860.20 |
| Add: Net profit after tax transferred from Statement of Profit & Loss | 2,062.80 | 412.18 |
| Add: Other Comprehensive income arising from re-measurement of defined benefit obligation net of income tax | 97.68 | (25.01) |
| Less: Dividend paid NIL (Previous Year ₹ 1.00 on 10,00,00,000 shares) | - | (1,000.00) |
| Less: Dividend distribution tax | - | (205.55) |
| Closing Balance (C) | 27,202.29 | 25,041.81 |
| Total (A+B+C) | 29,053.11 | 26,892.63 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

| | | (Amount ₹ in Lakhs) | |
|---|--|-------------------------|-------------------------|
| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
| 23 NON-CONTROLLING INTERESTS (NCI) | | | |
| Balance at beginning of year | | 1,164.64 | 1,200.20 |
| Share in profit for the year | | (18.74) | (38.31) |
| Share in OCI | | 17.91 | 2.75 |
| Total | | 1,163.82 | 1,164.64 |

Details of non-wholly owned subsidiary of the Group that have material non-controlling interest as at March 31, 2021 and for the year ended then:

| (Amount ₹ in Lakhs) | | | | |
|---|---------------------------|--|--|---|
| Name of subsidiary | Place of incorporation | Proportion of ownership interests and voting rights held by non- controlling interests | Profit allocated to non- controlling interests | Accumulated non- controlling interests |
| Indutch Composites Technology Private Limited | | | | |
| As at March 31, 2021 | India | 32% | (0.82) | 1,163.82 |
| As at March 31, 2020 | India | 32% | (35.56) | 1,164.64 |

Summarised financial information in respect of each of the Group's subsidiary- Indutch Composites Technology Private Limited that has material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations as at and for the year ended March 31, 2021:

| (Amount ₹ in Lakhs) | | |
|---|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Non-current assets (refer note below) | 9,568.07 | 10,833.84 |
| Current assets | 8,069.70 | 4,882.97 |
| Non-current liabilities | 7,828.72 | 7,536.11 |
| Current liabilities | 6,132.98 | 4,563.93 |
| Equity attributable to owners of the Company | 2,512.26 | 2,452.13 |
| Non-controlling interests | 1,163.82 | 1,164.64 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--|------------------------------|------------------------------|
| Revenue | 14,067.80 | 9,652.09 |
| Expenses | 14,115.02 | 9,619.43 |
| Profit/(loss) for the year (refer note below) | (44.11) | (108.16) |
| Profit/(loss) attributable to owners of the Company | (30.00) | (73.55) |
| Profit/(loss) attributable to the non-controlling interests | (14.12) | (34.61) |
| Profit/(loss) for the year | (44.11) | (108.16) |
| Other comprehensive income attributable to owners of the Company | 38.08 | 5.85 |
| Other comprehensive income attributable to the non-controlling interests | 17.92 | 2.75 |
| Other comprehensive income for the year | 56.01 | 8.61 |
| Total comprehensive income attributable to owners of the Company | 8.09 | (67.69) |
| Total comprehensive income attributable to the non-controlling interests | 3.81 | (31.86) |
| Total comprehensive income for the year | 11.89 | (99.55) |
| Net cash inflow/(outflow) from operating activities | 1,182.92 | 5,247.97 |
| Net cash inflow/(outflow) from investing activities | (800.68) | (7,188.72) |
| Net cash inflow/(outflow) from financing activities | (382.08) | 1,219.41 |
| Net cash inflow/(outflow) | 0.16 | (721.34) |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------|-------------------------|-------------------------|
| 24 BORROWINGS | | |
| Secured | | |
| Term Loans | | |
| From Banks | 7,921.71 | 9,324.93 |
| Total | 7,921.71 | 9,324.93 |

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

| Term loans | Nature of Security | Current Maturities of each loan (₹ in lakhs) | Amount of Each Loan Outstanding (₹ in lakhs) |
|----------------------------|---|---|---|
| From Banks: | | | |
| State Bank of India | | | |
| Loan VI | Loan is secured by way of mortgage/charge created on Fixed Assets of the Company's plant at Bawal, District - Rewari, Haryana. | - (96.88) | - (96.88) |
| Loan VII | These loans are secured by way of mortgage / charge created Plant and Machinery acquired out of the sanctioned Term Loan for Waghodia, District- Vadodara, Gujarat. | 166.80 (166.64) | 166.80 (291.78) |
| Loan VIII | | 620.00 (250.00) | 2,706.70 (2,956.07) |
| Loan IX | | 444.00 (222.00) | (1,861.42) (2,083.42) |
| Loan - 2 | | 500.00 (200.00) | 3,069.98 (2,786.03) |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Term loans | Nature of Security | Current Maturities of each loan (₹ in lakhs) | Amount of Each Loan Outstanding (₹ in lakhs) |
|--------------------------|--|--|--|
| HDFC Bank Limited Loan I | These loans are secured by way of charge created on fixed assets funded out of term loan pertaining to the Company's plant at Dharuhera, District - Rewari, Haryana. | - (187.50) | - (187.50) |
| Loan II | | - (62.50) | - (62.50) |
| Loan III | | - (93.75) | - (93.75) |
| Loan IV | | 150.00 (150.00) | 450.00 (562.50) |
| Loan V | | 134.30 - | 1,686.02 (1,686.02) |
| | | | |

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

| Term Loans | Date of Maturity | Rate of Interest | No. of Instalments due after the balance sheet date | Amount of Each Instalment in ₹ in lakhs |
|---------------------|------------------|-------------------|---|---|
| From Banks | | | | |
| State Bank of India | | | | |
| Loan VI | July, 2020 | MCLR + 1.05% | - (2) | - (46.88) |
| Loan VII | October, 2022 | MCLR + 1.05% | 4 (7) | 41.66 (41.66) |
| Loan VIII | September, 2025 | MCLR + 0.25% | 2 (4) | 125.00 (125.00) |
| | | | 13 (13) | 185.00 (185.00) |
| Loan IX | September, 2025 | MCLR + 0.15% | 17 (19) | 111.00 (111.00) |
| Loan 2 | March, 2027 | MCLR + 0.40% | 24 (26) | 119.23 (119.23) |
| HDFC Bank Limited | | | | |
| Loan I | December, 2020 | Base Rate + 0.20% | - (3) | - (62.50) |
| Loan II | December, 2020 | Base Rate + 0.20% | - (3) | - (20.83) |
| Loan III | December, 2020 | Base Rate + 0.20% | - (3) | - (31.25) |
| Loan IV | November, 2023 | MCLR + 0.15% | 12 (15) | 37.50 (37.50) |
| Loan V | November, 2023 | MCLR + 0.15% | 20 (20) | 50.00 (50.00) |
| | | | 20 (20) | 34.30 (34.30) |

Previous year figures are in bracket

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|-----------|---|-------------------------|-------------------------|
| | Particulars | As at March 31, 2021 | As at March 31, 2020 |
| 25 | OTHER FINANCIAL LIABILITIES | | |
| | Unsecured | | |
| | Lease liabilities | 2,409.18 | 3,088.27 |
| | Mobilization Advance from Customer | 790.00 | - |
| | Total | 3,199.18 | 3,088.27 |
| | Movement of Lease Liabilities are as under | | |
| | Opening Balance | 4,008.72 | 1,907.92 |
| | Addition during the year | 359.46 | 2,446.95 |
| | Finance cost | 265.80 | 290.06 |
| | Payment made during the year | 1,115.85 | 636.21 |
| | Closing Balance | 3,518.12 | 4,008.72 |
| | Current liabilities | 1,108.94 | 920.45 |
| | Non-current liabilities | 2,409.18 | 3,088.27 |

| | | (Amount ₹ in Lakhs) | |
|-----------|---|--------------------------------------|--------------------------------------|
| | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| 26 | LONG-TERM PROVISIONS | | |
| | Provision for employee benefits (For details refer note no. 44) | | |
| | Gratuity | 199.96 | 162.98 |
| | Leave encashment | 443.09 | 517.24 |
| | Provision for others | | |
| | Warranties | 222.46 | 177.24 |
| | Total | 865.51 | 857.46 |
| | (i) Movement in warranties provision: | | |
| | Opening balance | 196.80 | 139.71 |
| | Additions during the year | 68.39 | 76.57 |
| | Amount utilised during the year | (14.99) | (21.62) |
| | Provision reversed during the year | (11.19) | (12.33) |
| | Unwinding of discount on provisions | 21.01 | 14.47 |
| | Closing balance | 260.03 | 196.80 |
| | Long-term Provisions | 222.46 | 177.24 |
| | Short-term Provisions | 37.57 | 19.56 |

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|---|-------------------------|-------------------------|--|
| Particulars | As at March 31, 2021 | As at March 31, 2020 | |
| 27 BORROWINGS | | | |
| Loans repayable on demand from banks | | | |
| Secured | 1,210.09 | 591.15 | |
| Unsecured | - | 1,000.00 | |
| Total | 1,210.09 | 1,591.15 | |
| (i) These loans are secured by a first charge on inventories, receivables and all other current assets of respective Company. | | | |
| 28 TRADE PAYABLES | | | |
| (A) Total outstanding dues of micro enterprises and small enterprises | 3,469.58 | 3,874.42 | |
| (B) Total outstanding dues of creditors other than micro and small enterprises | 31,363.62 | 24,375.74 | |
| Total | 34,833.20 | 28,250.16 | |
| This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. Information in terms of section 22 of Micro, Small and Medium Enterprises Development Act, 2006 are given below; | | | |
| Trade payables -Total outstanding dues of Micro & Small enterprises* | | | |
| (a) Principal & Interest amount remaining unpaid but not due as at year end | | | |
| - Principal | 3,469.58 | 3,874.42 | |
| - Interest | 14.74 | 36.22 | |
| (b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - | |
| (c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | - | - | |
| (d) Interest accrued and remaining unpaid as at year end | 14.74 | 36.22 | |
| (e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | 122.38 | 86.16 | |
| *Based on the confirmation from Vendors. | | | |
| 29 OTHER FINANCIAL LIABILITIES | | | |
| Current maturities of long term debt | 2,015.10 | 1,432.15 | |
| Interest accrued and due on borrowings | 240.41 | 84.70 | |
| Unclaimed dividends | 91.50 | 104.14 | |
| Security deposits | 33.29 | 28.64 | |
| Expenses payable | 691.99 | 470.88 | |
| Lease liabilities (refer note no. 25) | 1,108.94 | 920.45 | |
| Payable to employees | 911.57 | 908.44 | |
| Payable for capital goods | 114.98 | 360.53 | |
| Total | 5,207.78 | 4,309.93 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|-----------|--|--------------------------------------|--------------------------------------|
| | Particulars | As at March 31, 2021 | As at March 31, 2020 |
| 30 | OTHER CURRENT LIABILITIES | | |
| | Liability for statutory payments | 3,067.16 | 797.49 |
| | Advance from Customers | 64.58 | 625.58 |
| | Advance received for non-current assets held for sale | 50.00 | - |
| | Total | 3,181.74 | 1,423.08 |
| 31 | CURRENT TAX LIABILITIES | | |
| | Current tax liabilities (net of Advance Tax) | 186.85 | - |
| | Total | 186.85 | - |
| 32 | PROVISIONS | | |
| | Provision for employee benefits (For details refer note no. 44) | | |
| | Gratuity | 119.07 | 140.87 |
| | Leave Encashment | 492.64 | 501.56 |
| | Provision for Others | | |
| | Warranties (Refer note no. 26 for details) | 37.57 | 19.57 |
| | Total | 649.28 | 662.00 |
| | | (Amount ₹ in Lakhs) | |
| | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| 33 | REVENUE FROM OPERATIONS | | |
| | Sale of Products | | |
| | Automobile Components | 1,97,478.34 | 1,12,963.30 |
| | Composites and Product Moulds | 5,330.24 | 771.19 |
| | Rendering of services | 8,737.56 | 8,821.09 |
| | Other Operating Revenue | | |
| | Sale of scrap | 1,892.15 | 1,001.13 |
| | Total | 2,13,438.29 | 1,23,556.71 |
| 34 | OTHER INCOME | | |
| | Interest income on financial assets carried at amortised cost | | |
| | Deposit with bank and others | 23.06 | 14.22 |
| | Cash Discount | - | 26.35 |
| | Dividend Income | 3.86 | 13.57 |
| | Net Profit on sale of Current Investments | 85.41 | 25.73 |
| | Net gain on investments carried at fair value through Profit or Loss | 3.94 | 10.47 |
| | Exchange fluctuation (net) | 2.36 | - |
| | Other non-operating income | | |
| | Sundry balances written back (net) | 10.38 | 4.73 |
| | Miscellaneous Income | 81.01 | 36.93 |
| | Insurance Claim Received | 19.57 | 58.99 |
| | Government Subsidy | 303.03 | 350.89 |
| | Total | 532.62 | 541.87 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|----|--|--------------------------------------|--------------------------------------|
| | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| 35 | COST OF RAW MATERIALS CONSUMED | | |
| | Cost of raw materials consumed | 1,83,321.85 | 92,534.60 |
| | Total | 1,83,321.85 | 92,534.60 |
| 36 | CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS | | |
| | Opening stock | | |
| | Finished goods | 2,054.55 | 4,301.90 |
| | Work-in-progress | 2,069.94 | 813.03 |
| | Finished Goods-Stock in Transit | - | 169.68 |
| | Total (A) | 4,124.48 | 5,284.61 |
| | Closing stock | | |
| | Finished goods | 2,811.39 | 1,687.47 |
| | Work-in-progress | 1,713.84 | 2,437.01 |
| | Finished Goods-Stock in Transit | 184.47 | - |
| | Total (B) | 4,709.69 | 4,124.48 |
| | Total(A-B) | (585.21) | 1,160.13 |
| 37 | EMPLOYEE BENEFITS EXPENSES | | |
| | Salaries and wages | 8,191.56 | 9,796.61 |
| | Contribution to provident and other funds | 726.02 | 928.25 |
| | Staff welfare expenses | 218.90 | 334.61 |
| | Total | 9,136.48 | 11,059.47 |
| 38 | FINANCE COSTS | | |
| | Interest on | | |
| | Borrowings from Banks | 1,202.09 | 736.94 |
| | Others | 18.30 | 86.22 |
| | Lease Liabilities | 265.79 | 290.06 |
| | Other costs | 55.80 | 77.24 |
| | Unwinding of discount on provisions | 21.01 | 14.47 |
| | Total | 1,562.99 | 1,204.93 |
| 39 | DEPRECIATION AND AMORTIZATION EXPENSES | | |
| | Depreciation on property, plant and equipment | 2,703.82 | 2,251.02 |
| | Depreciation on ROU Assets | 1,110.82 | 815.52 |
| | Amortisation of intangible assets | 86.47 | 83.43 |
| | Total | 3,901.11 | 3,149.97 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|-------------|--|--------------------------------------|--------------------------------------|
| Particulars | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| 40 | OTHER EXPENSES | | |
| | Store and tools consumed | 2,822.90 | 2,989.26 |
| | Power and fuel | 2,894.44 | 2,997.00 |
| | Freight charges | 795.24 | 1,028.91 |
| | Repairs and maintenance: | | |
| | Repairs to Buildings | 24.60 | 52.63 |
| | Repairs to Machinery | 253.37 | 413.47 |
| | Repairs and Maintenance - Others | 155.33 | 170.25 |
| | Research and Development Expenses | 185.67 | 377.38 |
| | Rent | 99.43 | 102.21 |
| | Wages to contractors | 2,773.37 | 2,593.62 |
| | Professional charges | 220.03 | 277.45 |
| | Insurance premium | 244.92 | 193.83 |
| | Audit fees | 21.00 | 26.03 |
| | Loss on property, plant and equipment sold/discarded (net) | 55.93 | 0.24 |
| | Rates and Taxes excluding taxes on income | 45.06 | 54.41 |
| | Charity & donation / CSR expenses | 76.71 | 75.61 |
| | Warranty expenses | 56.70 | 69.81 |
| | Exchange fluctuation (net) | 8.38 | 2.79 |
| | Provision for Impairment of capital advances | 29.00 | - |
| | Miscellaneous expenses | 2,553.91 | 2,858.43 |
| | Total | 13,315.99 | 14,283.32 |
| (i) | Payment to auditors (Excluding Taxes) | | |
| | As Statutory Auditors | 21.50 | 24.00 |
| | For Taxation matters | 3.50 | 3.50 |
| | For Certification | 0.15 | 0.05 |
| | For Other Services | 10.30 | 15.00 |
| | For out of pocket expenses | 0.08 | 0.56 |
| | Total | 35.53 | 43.11 |
| (ii) | Expenditure on Corporate Social Responsibility (CSR) | | |
| | (a) Gross amount required to be spent by the Company during the year: ₹ 72.48 lakhs (Previous Year: ₹ 90.51 lakhs) | | |
| | (b) Amount spent in cash during the year on: | | |

| | | (Amount ₹ in Lakhs) | |
|-------------|---------------------------------------|---------------------|-------|
| Particulars | | Total | |
| (i) | Construction/acquisition of any asset | - | - |
| (ii) | On purposes other than (i) above | 70.00 | 68.50 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | | (Amount ₹ in Lakhs) | |
|-------------|--|--------------------------------------|--------------------------------------|
| Particulars | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| (iii) | Research and development expenses : | | |
| | Expenses charged to revenue account | | |
| | Raw material consumption | 131.64 | 116.37 |
| | Employee benefits | 53.56 | 259.60 |
| | Travelling & other expenses | 0.47 | 1.40 |
| | Total | 185.67 | 377.38 |
| | Capital Expenditure | | |
| | Equipments | - | 0.37 |
| | Furniture & fixtures | - | 60.66 |
| | Total | - | 61.02 |
| 41 | INCOME TAX EXPENSES | | |
| | Current tax in relation to | | |
| | Current years | 999.20 | 122.52 |
| | Earlier years | 6.46 | 3.78 |
| | Deferred Tax | | |
| | In respect of current year | 329.48 | 162.83 |
| | Unused Tax Credits | (7.90) | (2.96) |
| | Total income tax expense recognised in the current year | 1,327.24 | 286.17 |
| (i) | The income tax expense for the year can be reconciled to the accounting profit as follows: | | |
| | Profit before tax | 3,444.77 | 649.37 |
| | Income tax expense calculated at 34.944% | 1,198.16 | 225.87 |
| | Tax effects of amounts which are not deductible/(taxable) in calculating taxable income | | |
| | Expenses not allowed in Income Tax | 109.64 | 140.58 |
| | Exempted Income / Effect of Tax on lower rate | (6.42) | 9.55 |
| | Effect of deduction under section 80JJA of the Income tax Act, 1961 | (6.60) | (18.67) |
| | Additional deduction on research and product development cost | - | (66.47) |
| | Tax adjustment of earlier years | - | 3.78 |
| | Others | 32.46 | (8.46) |
| | Income tax expense recognised in Consolidated Statement of Profit and Loss | 1,327.24 | 286.17 |

42 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(A) Contingent liabilities not provided for in respect of

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Particulars | (Amount ₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Claims against the company not acknowledged as debt under the labour laws | 127.90 | 64.98 |
| Income Tax | 284.87 | 66.59 |
| Excise Duty | 58.76 | 58.76 |
| Custom duty | 2,224.64 | 475.41 |
| Sales tax | 4,415.29 | 50.79 |

- (i) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters above pending resolution of the arbitration/appellate proceedings.

(iii) Income Tax

The Holding Company is involved in tax disputes amounting to ₹ 44.22 lakhs (as at March 31, 2020 ₹ 21.81 lakhs) relating to Income Tax. This mainly relate to the disallowance under section 14A of the Income Tax Act, 1961 and interest thereon which is pending at Appellate level.

In case of Subsidiary, it is involved in tax disputes amounting to ₹ 240.65 lakhs (as at March 31, 2020 ₹ 44.78 lakhs) relating to Income Tax. This mainly relate to the TDS penalties & assessment which are pending at Appellate level.

(iv) Excise Duty

The Excise Authorities had denied a CENVAT credit amounting to ₹ 29.38 lakhs and imposed a penalty of ₹ 29.38 lakhs for a period between June, 2008 to March, 2009 (₹ 29.38 lakhs and ₹ 29.38 lakhs CENVAT credit and penalty respectively at March 31, 2020) in respect of CENVAT credit availed on supplementary invoices raised by the Customer on account of material supplied by them. The Company is contesting the show cause notice.

(v) Custom Duty

In case of Subsidiary, it is involved in tax disputes amounting to ₹ 2,139.52 lakhs (as at March 31, 2020 ₹ 475.41 lakhs) relating to Duty Free Import Machinery (EPCG) (last date of fulfillment of obligation is March 31, 2025) and ₹ 85.12 lakhs (as at March 31, 2020 ₹ Nil) against rectification material lying at customer location for re-import, subject to custom authorities valuation.

(vi) Sales Tax

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

In case of Holding Company, the Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to ₹ 31.89 lakhs (as at March 31, 2020 ₹ 31.89 lakhs). The reasons for disallowing credit was mainly due to not allowing set off of taxes on LPG Gas and other materials used in manufacturing and also not allowing full deduction of taxes paid. Further, there is levy of purchase tax on purchase of LPG Gas. The matter is contested in appeal.

In case of Holding Company, the Sales Tax authorities have demanded tax aggregating to ₹ 18.90 lakhs (as at March 31, 2019 ₹ 18.90 Lakhs) on account of tax being levied on inter-state stock transfers. The matter is contested in appeal.

The Sales Tax authorities have demanded tax aggregating to ₹ 4,074.89 Lakhs (as at March 31, 2020 ₹ Nil) on account of tax being levied on ex-parte order. The matter is contested in appeal.

(vii) Provident Fund

There are numerous interpretative issues relating to the SC Judgement on Provident Fund dated February 28, 2019. The Holding Company has evaluated the impact of said judgement and has made necessary provision in financials.

(B) Commitments

| | (Amount ₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) including investment property | 3,703.55 | 302.10 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| 43 EARNINGS PER SHARE | | |
| Profit after tax for the year attributable to equity shareholders (₹ in Lakhs) | 2,044.06 | 373.87 |
| Weighted average number of equity shares (in Nos.) | 10,00,00,000 | 10,00,00,000 |
| Basic and Diluted earnings per equity share (in ₹) | 2.04 | 0.37 |
| Face Value per equity share (in ₹) | 2.00 | 2.00 |

44 EMPLOYEE BENEFITS

(a) Defined Contribution Plans

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

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

(i) Provident fund and Pension

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

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

(ii) Superannuation fund

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

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

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

| Particulars | For the year ended March 31, 2021 | (Amount ₹ in Lakhs) For the year ended March 31, 2020 |
|--|--------------------------------------|---|
| Employer's contribution to Provident and other Funds | 494.76 | 584.18 |
| Employer's contribution to Superannuation Fund | 80.25 | 118.12 |
| Total | 575.00 | 702.30 |

(b) Defined Benefit Plan

(i) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Group decides its contribution based on the results of its annual review.

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

(I) Investment Risk

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

(II) Interest Rate Risk

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

(III) Longevity Risk

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

(IV) Salary Risk

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

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

| Particulars | (Amount ₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Service Cost | | |
| Current Service Cost | 145.04 | 193.92 |
| Net interest expense/ (income) | 15.19 | 13.70 |
| Components of defined benefit costs recognised in Employee Benefit Expenses | 160.22 | 207.62 |
| Re-measurement on the net defined benefit liability: | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | (0.19) |
| Actuarial (gains)/losses arising from changes in financial assumptions | (14.79) | 10.32 |
| Actuarial (gains)/losses arising from experience adjustments | (120.40) | 28.72 |
| Return on Plan Assets excluding amount included in net interest cost | (4.88) | (3.03) |
| Components of Re-measurement | (140.07) | 35.83 |
| Total | 20.15 | 243.44 |
| The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows: | | |
| Present Value of funded defined benefit obligation | 1,367.39 | 1,322.61 |
| Fair value of plan assets | 1,172.34 | 184.90 |
| Net liability arising from defined benefit obligation | 195.05 | 1,137.71 |
| Movements in the present value of the defined benefit obligation are as follows: | | |
| Opening defined obligation | 1,626.45 | 1,439.30 |
| Current service cost | 145.04 | 193.92 |
| Interest cost | 89.67 | 90.98 |
| Re-measurement (gains)/losses : | | |
| Actuarial (gains)/ losses arising from changes in financial assumptions | (14.79) | (3.66) |
| Actuarial (gains)/ losses arising from experience adjustments | (120.40) | 28.72 |
| Benefits paid | (234.60) | (0.19) |
| Closing defined benefit obligation | 1,491.37 | 1,749.06 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Particulars | (Amount ₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Movements in the fair value of plan assets are as follows: | | |
| Opening value of plan assets | 1,322.61 | 1,178.89 |
| Interest income | 74.48 | 77.28 |
| Return on plan assets excluding amounts included in interest income | 4.88 | 3.03 |
| Contributions by employer | 4.16 | 200.00 |
| Benefits paid | (233.79) | (136.59) |
| Closing value of plan assets | 1,172.34 | 1,322.61 |

Classification of Non-Current and Current Liability:

| Particulars | (Amount ₹ in Lakhs) | |
|-----------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Non-Current liability | 240.77 | 255.42 |
| Current liability | 78.26 | 48.43 |
| Total | 319.03 | 303.85 |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|--|--|
| Mortality | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |
| Withdrawal Rates | 10% p.a. at younger ages reducing to 1% p.a. at older ages | 10% p.a. at younger ages reducing to 1% p.a. at older ages |
| Discount Rate (%) | 6.25% | 6.45% |
| Salary escalation rate (%) | 6.50% | 6.50% |
| Rate of Return on Plan Assets (%) | 6.25% | 6.45% |
| The fair value of the plan assets at the end of the reporting period for each category are as follows: | | |
| 100% managed by insurer (Life Insurance Corporation of India) | 1,172.34 | 1,322.61 |

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

The actual return on plan assets of gratuity during the year is ₹ 79.36 lakhs (during previous year ended March 31, 2020: ₹ 80.31 lakhs)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| Significant actuarial assumptions | (Amount ₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Discount Rate | | |
| - Impact due to increase of 50 basis points | 1,325.39 | 1,463.21 |
| - Impact due to decrease of 50 basis points | 1,412.54 | 1,554.99 |
| Salary increase | | |
| - Impact due to increase of 50 basis points | 1,409.52 | 1,552.19 |
| - Impact due to decrease of 50 basis points | 1,327.47 | 1,465.01 |
| Withdrawal Rate | | |
| - Impact due to increase of 10 percent | 1,366.98 | 1,507.24 |
| - Impact due to decrease of 10 percent | 1,367.80 | 1,507.76 |
| In case of Subsidiary Company, | | |
| Discount Rate | | |
| - Impact due to increase by 1 percent | 109.78 | 57.72 |
| - Impact due to decrease by 1 percent | 141.41 | 77.79 |
| Salary increase | | |
| - Impact due to increase by 1 percent | 141.50 | 77.66 |
| - Impact due to decrease by 1 percent | 109.47 | 57.66 |
| Withdrawal Rate | | |
| - Impact due to increase of 1 percent | 125.33 | 66.48 |
| - Impact due to decrease of 1 percent | 122.52 | 66.90 |

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

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

The Holding Company expects to make a contribution of ₹ 119.07 lakhs (as at March 31, 2020: ₹ 138.67 lakhs) to the defined benefit plans during the next financial year.

(c) Other long term employee benefit plans
Leave encashment

Amount of ₹ 92.66 lakhs (March 31, 2020 ₹ 246.97 lakhs) is recognised as expenses and included in note no. 37 "Employee benefit expense".

45 IMPAIRMENT OF ASSETS

In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Group has, during the year, carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at March 31, 2021.

46 SEGMENT REPORTING

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Segment revenue, results, assets and liabilities

The following is an analysis of the Group's revenue, results, assets and liabilities from continuing operations by reportable segment for the year ended March 31, 2021:

| (Amount ₹ in Lakhs) | | | | |
|---------------------|--|-----------------|-----------------------------|-------------|
| Sr. No. | Particulars | Auto Components | Composite Products & Moulds | Unallocable |
| I | Segment Revenue | 1,99,370.50 | 14,067.80 | - |
| | Less: Inter Segment Revenue | - | - | - |
| | Revenue from Operations | 1,99,370.50 | 14,067.80 | - |
| II | Segment Results Profits (+)/Losses (-) before tax and interest from each segment | 4,141.97 | 738.72 | - |
| | Total | 4,141.97 | 738.72 | - |
| | Finance Cost | 867.18 | 695.81 | - |
| | Interest Income | - | - | - |
| | Profit before tax | 3,274.79 | 42.91 | - |
| | Income Taxes | 1,172.17 | 101.47 | - |
| | Profit for the year | 2,102.62 | (58.56) | - |
| III | Segment Assets | 77,520.58 | 17,779.03 | - |
| | Total | 77,520.58 | 17,779.03 | - |
| IV | Segment Liabilities | 77,520.58 | 17,779.03 | - |
| | Total | 77,520.58 | 17,779.03 | - |
| V | Other Information | | | |
| | Depreciation | 2,247.92 | 1,653.19 | - |
| | Other Non-Cash Expense | - | - | - |

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

48 FINANCIAL INSTRUMENT DISCLOSURE

(a) Capital Management

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

| Particulars | (Amount ₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Equity share capital | 2,000.00 | 2,000.00 |
| Other equity | 29,053.11 | 26,892.63 |
| Total Equity (A) | 31,053.11 | 28,892.63 |
| Non-current borrowings | 7,921.71 | 9,324.93 |
| Short term borrowings | 1,210.09 | 1,591.15 |
| Current maturities of long term borrowings | 2,015.10 | 1,432.15 |
| Gross Debt (B) | 11,146.90 | 12,348.22 |
| Gross Debt as above | 11,146.90 | 12,348.22 |
| Less: Current investments | 2,635.21 | 2,072.69 |
| Less: Cash and cash equivalents | 1,522.37 | 1,558.17 |
| Less: Other balances with bank (including earmarked balances) | 281.45 | 139.14 |
| Net Debt (C) | 6,707.86 | 8,578.22 |
| Net debt to equity | 0.22 | 0.30 |

(b) Disclosures

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

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

(i) Financial assets and liabilities

The following tables presents each category of financial assets and liabilities as at March 31, 2021.

| Particulars | (Amount ₹ in Lakhs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| I. Financial Assets | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| (a) Investments in mutual funds | 2,635.21 | 2,072.69 |
| Measured at amortised cost | | |
| Trade and other receivables | 41,635.92 | 26,887.18 |
| Cash and cash equivalents | 1,522.37 | 1,558.17 |
| Other bank balances | 281.45 | 139.14 |
| Loans | 169.33 | 137.06 |
| Other financial assets | 7.22 | 41.91 |
| Total | 46,251.52 | 30,836.15 |
| II. Financial Liabilities | | |
| Measured at amortised cost | | |
| Long term borrowings | 7,921.71 | 9,324.93 |
| Short term borrowings | 1,210.09 | 1,591.15 |
| Trade payables | 34,833.20 | 28,250.16 |
| Other financial liabilities | 5,207.78 | 4,309.93 |
| Total | 49,172.79 | 43,476.17 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Fair value measurement

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

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

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

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

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

| Financial assets | (Amount ₹ in Lakhs) | |
|----------------------------|------------------------------------|------------------------------------|
| | Fair value as at March 31, 2021 | Fair value as at March 31, 2020 |
| Investment in mutual funds | 2,635.21 | 2,072.69 |

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

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

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

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2021.

(iii) Financial risk management objectives

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

(a) Market risk

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

(I) Foreign Currency Risk

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

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

| Foreign Currency Exposure | (Amount ₹ in Lakhs) | |
|---------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Assets | 32.06 | 0.20 |
| Liabilities | 18.15 | 6.54 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group has not entered in to any forward contracts to hedge its foreign exposures and therefore there are no outstanding forward contract at the year end.

Foreign Currency Sensitivity:

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

| | (Amount ₹ in Lakhs) | |
|------------------------------|--------------------------------------|--------------------------------------|
| USD sensitivity at year end | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Assets | | |
| Weakening of INR by 5% | 1.60 | 0.01 |
| Strengthening of INR by 5% | (1.60) | (0.01) |
| Liabilities | | |
| Weakening of INR by 5% | (0.91) | (0.33) |
| Strengthening of INR by 5% | 0.91 | 0.33 |
| EURO sensitivity at year end | As at March 31, 2021 | As at March 31, 2020 |
| Assets: | | |
| Weakening of INR by 5% * | 0.00 | 0.00 |
| Strengthening of INR by 5% * | (0.00) | (0.00) |
| Liabilities: | | |
| Weakening of INR by 5% | - | - |
| Strengthening of INR by 5% | - | - |

* indicate amount less than ₹ 1 thousand

(II) Interest rate risk

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

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

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

(III) Price risk

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

NAV price sensitivity analysis

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

In case of Holding Company, Profit for the year ended March 31, 2021 would increase/decrease by ₹ 26.33 lakhs.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Credit risk

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

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

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

| Particulars | (Amount ₹ in Lakhs) | |
|-----------------------------|-------------------------|-------------------------|
| | As At March 31, 2021 | As At March 31, 2020 |
| Within the credit period | 38,525.80 | 26,819.95 |
| Upto 6 months past due | - | - |
| More than 6 months past due | 131.07 | 235.98 |
| Total | 38,656.86 | 27,055.93 |

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

(c) Liquidity risk

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

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

| Particulars | (Amount ₹ in Lakhs) | | | |
|-----------------------------|--|--------------------------------------|--------------------------------------|-------------------|
| | 1 month | -1 year | 1 year – 3 years | More than 3 years |
| As at March 31, 2021 | | | | |
| Long term borrowings | 1,515.10 (1,229.27) | 5,926.73 (5,580.79) | 1,994.98 (3,744.14) | |
| Short term borrowings | 1,210.09 (1,591.15) | - - | - - | |
| Trade payables | 34,884.33 (28,250.16) | - - | - - | |
| Lease Liabilities | 105.90 (177.29) | 377.28 (571.69) | 544.19 (819.97) | |
| Other financial liabilities | 3,073.91 (2,675.94) | 2,605.67 (2,049.66) | 2,387.45 (2,655.15) | |
| Total | 40,789.33 (33,923.81) | 8,909.68 (8,202.14) | 4,926.62 (7,219.26) | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

| (Amount ₹ in Lakhs) | | | |
|-----------------------------|---------------------------------|---------------------------|------------------------------------|
| Particulars | 1 month | -1 year | 1 year – 3 years More than 3 years |
| As at March 31, 2021 | | | |
| Trade and other receivables | 41,687.05 (26,887.18) | - | - |
| Investments in Mutual Funds | 2,635.21 (2,072.69) | - | - |
| Loans | 169.33 (137.06) | - (482.77) | 220.61 (217.61) |
| Other financial assets | 7.22 (41.91) | 204.01 | 560.65 |
| Total | 44,498.82 (29,138.83) | 204.01 (482.77) | 781.26 (217.61) |

The Group has access to committed credit facilities as described below at the end of the reporting year. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

| (Amount ₹ in Lakhs) | | |
|---------------------|-------------------------|-------------------------|
| Credit facilities | As at March 31, 2021 | As at March 31, 2020 |
| Amount used | 8,140.46 | 9,097.32 |
| Amount unused | 8,522.54 | 6,575.68 |

49 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD -115 ARE GIVEN BELOW

- The Group derives revenues from sale of goods, scrap and services from its contracts with customers. The revenues have been disclosed in Note No. 33 "Revenue from Operations".
- The Group does not have any contract asset. The opening and closing balances of trade receivables and Contract liability are as under:

| (Amount ₹ in Lakhs) | | |
|---------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2021 | As at March 31, 2020 |
| Trade Receivables | 41,635.92 | 26,887.18 |
| Contract Liability | | |
| Advances from customers | 854.58 | 625.58 |

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

50 RELATED PARTY DISCLOSURES:

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

(A) Holding Company:

Thakur Devi Investments Private Limited

(B) Key Managerial Personnel:

| | |
|-------------------------|---|
| Mr. Sudhir Kumar Munjal | Chairman and Managing Director |
| Mrs. Anju Munjal | Whole-time Director |
| Mr. Anuj Munjal | Whole-time Director |
| Mr. S. K. Sharma | Chief Financial Officer (upto October 28, 2020) |
| Mr. B. P. Yadav | Chief Financial Officer (from October 29, 2020 onwards) |
| Mr. Rakesh Johari | Company Secretary |
| Mr. Vikram Shah | Independent Director |
| Mr. Naresh Kumar Chawla | Independent Director |
| Mr. Mahendra Sanghvi | Independent Director |
| Mr. Ramkisan Devidayal | Independent Director |
| Mr. Sudesh Kumar Duggal | Independent Director |
| Mr. Jal Ratanshaw Patel | Independent Director |
| Ms. Avi Sabavala | Independent Director (from April 01, 2020) |

(C) Enterprise in which Directors and their relatives are directors/ partners / members / trustees :

Sara Training & Education LLP
Sara Investment Services Private Limited
Sudhir Kumar & Sons HUF
Fetlock Traders Private Limited
Sara Investments
Inder Mohini Bhasin Charitable Foundation
Indutch Composites Technology Private Limited

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

(Amount ₹ in Lakhs)

| Nature of Transaction | Holding Company | Enterprise in which directors and their relatives are partners / members / trustees | Key Managerial personnel | Total |
|--------------------------|-----------------|---|--------------------------|---------------|
| Remuneration paid | - | - | 789.31 | 789.31 |
| | - | - | (1,022.81) | (1,022.81) |
| Mr. Sudhir Kumar Munjal | - | - | 262.51 | 262.51 |
| | - | - | (340.21) | (340.21) |
| Mrs. Anju Munjal | - | - | 229.70 | 229.70 |
| | - | - | (297.69) | (297.69) |
| Mr. Anuj Munjal | - | - | 229.70 | 229.70 |
| | - | - | (297.69) | (297.69) |
| Mr. S. K. Sharma | - | - | 30.07 | 30.07 |
| | - | - | (63.33) | (63.33) |
| Mr. B. P. Yadav | - | - | 15.39 | 15.39 |
| | - | - | - | - |
| Mr. Rakesh Johari | - | - | 21.95 | 21.95 |
| | - | - | (23.90) | (23.90) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount ₹ in Lakhs)

| Nature of Transaction | Holding Company | Enterprise in which directors and their relatives are partners / members / trustees | Key Managerial personnel | Total |
|--|-----------------|---|-----------------------------|-----------------------------|
| Sitting Fees paid | - | - | 20.08 | 20.08 |
| | - | - | (16.84) | (16.84) |
| Mr. Vikram Shah | - | - | 3.08 | 3.08 |
| | - | - | (4.04) | (4.04) |
| Mr. Naresh Kumar Chawla | - | - | 3.40 | 3.40 |
| | - | - | (3.00) | (3.00) |
| Mr. Mahendra Sanghvi | - | - | 2.80 | 2.80 |
| | - | - | (3.40) | (3.40) |
| Mr. Ramkisan Devidayal | - | - | 2.80 | 2.80 |
| | - | - | (2.60) | (2.60) |
| Mr. Sudesh Kumar Duggal | - | - | 3.40 | 3.40 |
| | - | - | (1.80) | (1.80) |
| Mr. Jal Ratanshaw Patel | - | - | 2.80 | 2.80 |
| | - | - | (2.00) | (2.00) |
| Ms. Avi Sabavala | - | - | 1.80 | 1.80 |
| | - | - | - | - |
| Payments made by the Company on behalf of | - | 2.46 | - | 2.46 |
| | (2.22) | (39.15) | (0.38) | (41.75) |
| Thakur Devi Investments Private Limited | - | - | - | - |
| | (2.22) | - | - | (2.22) |
| Sara Investments | - | - | - | - |
| | - | - | (37.81) | (37.81) |
| Mr. Sudhir Kumar Munjal | - | - | - | - |
| | - | - | (0.38) | (0.38) |
| Mr. Sudhir Kumar & Sons | - | - | - | - |
| | - | (1.06) | - | (1.06) |
| Inder Mohini Bhasin Charitable Foundation | - | 2.46 | - | 2.46 |
| | - | (0.28) | - | (0.28) |
| Dividend Paid | - | - | - | - |
| | (748.06) | - | - | (748.06) |
| Thakurdevi Investments Private Limited | - | - | - | - |
| | (748.06) | - | - | (748.06) |
| Rent Paid | - | 191.50 | - | 191.50 |
| | - | (191.50) | - | (191.50) |
| Sara Investments | - | 191.50 | - | 191.50 |
| | - | (191.50) | - | (191.50) |
| Balance as at | | | | (Amount ₹ in Lakhs) |
| Particulars | | | As at March 31, 2021 | As at March 31, 2020 |
| Remuneration payable | | | 35.46 | 40.15 |
| Mr. Sudhir Kumar Munjal | | | 12.00 | 14.50 |
| Mrs. Anju Munjal | | | 7.27 | 8.56 |
| Mr. Anuj Munjal | | | 12.90 | 12.69 |
| Mr. S. K. Sharma | | | - | 2.84 |
| Mr. B. P. Yadav | | | 2.04 | - |
| Mr. Rakesh Johari | | | 1.24 | 1.55 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

| Particulars | (Amount ₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Short-term employee benefits | 690.79 | 903.05 |
| Post-employment benefits (excluding Leave encashment) | 98.52 | 119.76 |

51 Additional information to the Consolidated Financial Statements as per the General Instructions of Schedule III to the Companies Act, 2013 is as under:

| Name of the entity | Net Assets (Total Assets- Total Liabilities) | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|--|------------------|--|-----------------|---|---------------|---|-----------------|
| | As % of Consolidated net assets | ₹ in lakhs | As % of Consolidated Profit or Loss | ₹ in lakhs | As % of Consolidated Other Comprehensive Income | ₹ in lakhs | As % of Consolidated Total Comprehensive Income | ₹ in lakhs |
| Parent Company | | | | | | | | |
| Munjal Auto Industries Limited | 97.89% | 31,535.87 | 102.86% | 2,102.61 | 51.55% | 59.59 | 100.12% | 2,162.21 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| Indutch Composites Technology Private Limited | 11.26% | 3,628.66 | -2.16% | (44.11) | 48.45% | 56.00 | 0.55% | 11.89 |
| Eliminations | -9.15% | (2,947.60) | -0.71% | (14.44) | 0.00% | - | -0.67% | (14.44) |
| Total | 100.00% | 32,216.93 | 100.00% | 2,044.06 | 100.00% | 115.59 | 100.00% | 2,159.65 |

52 The spread of Covid 19 has affected the business operations post the national lock down. The Group has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which included closing of manufacturing facilities. Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Group has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligation and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Group does not foresee any significant incremental risk to the recoverability of its assets or in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines, the Group has now resumed its operations, however some of the staff continues to operate from home. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Group and make necessary measures to address the situation.

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

54 The Consolidated Financial Statements of the Group are approved by the Board of Directors in its meeting held on June 09, 2021.

| | | | |
|--|---|--|---|
| As per our report of even date attached For K. C. Mehta & Co. Chartered Accountants Vishal P. Doshi Partner Membership No. 101533 Place : Vadodara Date : June 09, 2021 | For and on behalf of the Board of Directors of Munjal Auto Industries Limited | | |
| | Sudhir Kumar Munjal Chairman & Managing Director DIN - 00084080 Rakesh Johari Company Secretary | Anju Munjal Whole Time Director DIN - 00007867 B P Yadav Chief Financial Officer | Vikram Shah Chairman Audit Committee DIN - 00007914 |

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing Salient Features of the Financial Statement of subsidiaries/associate companies/joint ventures

| Part-"A": Subsidiary | | |
|-----------------------------|---|--|
| Sl. No. | Particulars | Name of Subsidiary |
| 1 | Name of Subsidiary | Indutch Composites Technology Private Limited |
| 2 | Date since when Subsidiary was acquired | May 22, 2018 |
| 3 | Reporting period for the subsidiary concerned | 2020-21 |
| 4 | Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary | Amount (₹) in Lakhs |
| 5 | Share Capital | 421.55 |
| 6 | Reserves and Surplus | 3,207.11 |
| 7 | Total Assets | 17,779.03 |
| 8 | Total Liabilities | 14,150.37 |
| 9 | Investments | 2.59 |
| 10 | Turnover | 14,067.80 |
| 11 | Profit Before Taxation | 57.36 |
| 12 | Provision for Taxation | 101.48 |
| 13 | Profit After Taxation | (44.11) |
| 14 | Proposed Dividend | - |
| 15 | Extent of Shareholding (in %) | 68% |

| Part "B": Associates and Joint Ventures |
|---|
| Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures |
| Not Applicable |

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

Sudhir Kumar Munjal
Chairman & Managing Director
DIN - 00084080
Rakesh Johari
Company Secretary

Anju Munjal
Whole Time Director
DIN - 00007867
B P Yadav
Chief Financial Officer

Vikram Shah
Chairman Audit Committee
DIN - 00007914

Place : Gurugram
Date : June 09, 2021



**MUNJAL AUTO
INDUSTRIES LIMITED**

Registered Office: 187, GIDC Industrial Estate,
Waghodia 391 760,
Dist. Vadodara, (Gujarat)
Tel. Nos. (+91 02668) 262421-22
Fax No. (+91 02668) 262427



MUNJAL AUTO INDUSTRIES LIMITED

Regd. Office: 187, GIDC Industrial Estate, Waghodia 391760, Dist. Vadodara, Gujarat

Phone : (02668) 262421-22, Fax : (02668) 262427

E-mail : cs@munjalauto.com, Website : www.munjalauto.com

CIN : L34100GJ1985PLC007958

NOTICE

Notice is hereby given that the **36th Annual General Meeting ('AGM')** of the Members of **MUNJAL AUTO INDUSTRIES LIMITED** will be held on **Tuesday, the 14th day of September, 2021 at 03:00 P.M.** through **Video Conference ("VC") / Other Audio Visual Means ("OAVM")** to transact the following businesses: -

ORDINARY BUSINESS

1. To receive, consider and adopt:

- the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2021, together with the reports of the Board of Directors' and the Auditors' thereon.
 - the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors' thereon.
- 2. To appoint a Director in place of Mr. Sudhir Kumar Munjal (DIN: 00084080), who retires by rotation, and being eligible, offers himself for re-appointment.**

Place : Gurugram

Date : June 09, 2021

By Order of the Board of Directors

For Munjal Auto Industries Ltd.

Sd/-

Rakesh Johari

Company Secretary & Compliance Officer

ACS 19153

Registered Office

187, GIDC Industrial Estate,

Waghodia - 391760

Dist.: Vadodara (Gujarat)

Notes :

- In view of the COVID-19 pandemic, Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time (hereinafter collectively referred to as "Circulars") allowed companies whose AGMs were due to be held in the year 2020 or become due in the year 2021, to conduct their AGMs on or before December 31, 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020. Hence, in compliance with these Circulars, the AGM of the Company will be conducted through Video Conferencing (VC)/Other Audio Visual Mode (OAVM). The deemed venue for the 36th AGM shall be the Registered Office of the Company.
- Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in terms of Secretarial Standard - 2 in respect of the Directors seeking appointment/re-appointment at the 36th AGM are annexed here to as Annexure - A to this Notice. The Company has received relevant disclosure/consent from the Directors seeking appointment/re-appointment.
- On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/ P/2021/11 dated January 15, 2021, the Company has sent the Annual Report and the Notice of AGM only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - Shareholders holding shares in physical form, are requested to register / update their email addresses by sending a request to the Company Secretary at the following email address cs@munjalauto.com or by writing to the RTA with details of folio number and attaching a self-attested copy of PAN card at mcs@ltdbaroda@gmail.com.
 - Shareholders holding shares in dematerialized form, are requested to register/ update their email addresses with the Depository Participants with whom the demat account is maintained.



4. All documents referred to in the Notice will be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 14, 2021. Members seeking to inspect such documents can send an email to cs@munjalauto.com.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act") and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.
6. Pursuant to Section 91 of the Act and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer books of the Company will remain closed from **Wednesday, September 8, 2021 to Tuesday, September 14, 2021** (both days inclusive) for the purpose of 36th AGM of the Company.
7. **Cut-off Date:** The Company has fixed **Tuesday, September 07, 2021 as the Cut-off Date** for remote e-voting. The remote e-voting/ voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. **Tuesday, September 07, 2021 only**. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.
8. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date, being **Tuesday, September 07, 2021**.
9. The Company has designated Mr. Rakesh Johari, Company Secretary and Compliance Officer, to address the grievances connected with the voting by electronic means. The Members can reach Company's official at +91-02668-262421-22 or cs@munjalauto.com.
10. The Board of Directors has appointed Mr. Devesh A. Pathak, Proprietor, M/s. Devesh Pathak & Associates, Company Secretaries, Vadodara, as Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in fair and transparent manner.
11. The Scrutinizer shall, after conclusion of voting at the AGM, first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall within 48 hours of conclusion of the AGM, submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any KMPs of the Company who shall countersign the same and declare the results of voting forthwith.
12. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results shall be declared within 48 hours after the AGM of the Company. The results alongwith Scrutiniser's Report shall be placed on the website of the Company (www.munjalauto.com), website of CDSL (www.evotingindia.com) and by filing with the Stock Exchanges. It shall also be displayed on the Notice Board at the Registered Office of the Company.
13. Members are requested to note that under Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund ('IEPF') constituted by the Central Government of India. Further, all shares in respect of which dividends remain unclaimed/unpaid for seven consecutive years or more, are also required to be transferred to designated Demat Account of the IEPF Authority. The Company during the financial year 2020-21 had, accordingly, transferred the unpaid and unclaimed dividend amount pertaining to the financial year 2012-13 alongwith relevant shares to the IEPF within the stipulated time period. Further, all the shareholders who have not claimed/encashed their dividends in the last seven consecutive years from FY 2013-14 and onwards are requested to claim the same. The concerned members are requested to verify the details of their unclaimed amounts, if any, from the website of the Company and write to the Company's Registrar before the same becoming due for transfer to the IEPF.
14. In respect of the physical shareholding, in order to prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar of any change in their addresses, telephone numbers, e-mail ids, nominees or joint holders, as the case may be. The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.
15. Pursuant to the Listing Regulations, shares of a listed entity can only be transferred in demat form w.e.f. April 1, 2019 except in cases of transmission or transposition. Therefore, **shareholders are encouraged in their own interest to dematerialize their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Registrar in this regard.**

16. Pursuant to the provisions of Section 72 of the Act, the members holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in demat form may contact their respective Depository Participants for availing this facility and the Members holding shares in physical form shall contact the Registrar.
17. 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 for claiming unpaid dividend |
|----------------------|---------------------------------|--|
| 31.03.2014 | 08.08.2014 | 07.08.2021 |
| 31.03.2015 | 22.08.2015 | 21.08.2022 |
| 31.03.2016* | 23.03.2016 | 22.03.2023 |
| 31.03.2017 | 30.06.2017 | 29.06.2024 |
| 31.03.2018 | 25.08.2018 | 24.08.2025 |
| 31.03.2019 | 31.08.2019 | 30.08.2026 |

* Interim dividend

18. Since, the AGM will be held through VC, the facility to appoint proxy to attend and cast vote for the members is not available for the AGM. Therefore, the route map, proxy form and attendance slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.

19. Remote E-Voting:

Pursuant to Section 108 of the Act, rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' (e-voting from a place other than venue of the AGM) through CDSL, for all Members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of 36th AGM of the Company. The remote e-voting period begins on **Saturday, September 11, 2021 at 9:00 a.m. (IST)** and ends on **Monday, September 13, 2021 at 5:00 p.m. (IST)**.

During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on the Cut-off Date i.e. may cast their votes electronically. The remote e-voting module shall be disabled after **5:00 p.m. (IST) on Monday, September 13, 2021**. The facility for electronic voting system, shall also be made available at the 36th AGM.

The Members attending the AGM, who have not cast their votes through remote e-voting, shall be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the AGM.

The Members desirous of voting through remote e-voting are requested to refer to the detailed procedure given hereinafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

CDSL e-Voting System – For E-Voting and Joining Virtual Meetings.

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.



3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://munjalauto.com/finance/notice/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Saturday, September 11, 2021 at 9:00 a.m. (IST)** and ends on **Monday, September 13, 2021 at 5:00 p.m. (IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Tuesday, September 07, 2021**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020**, under Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINK INTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

| For Physical shareholders and other than individual shareholders holding shares in Demat. | |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to write to cs@munjalauto.com in to obtain sequence number which shall be mentioned in the PAN field.</p> |
| Dividend Bank Details or Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>- If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p> |

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the **EVS N 210805008** for the relevant Munjal Auto Industries Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians - For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@munjalauto.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request between **Sunday, August 29, 2021 to Friday, September 03, 2021**, mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but



have queries may send their queries during the above mentioned dates mentioning their name, demat account number/folio number, email id, mobile number at cs@munjalauto.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

ANNEXURE 'A'

Details under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and in terms of Secretarial Standard 2 issued by Institute of Company Secretaries of India, in respect of the Director seeking appointment/re-appointment

| | |
|---|---|
| Name of Director | Mr. Sudhir Kumar Munjal |
| DIN | 00084080 |
| Date of Birth (Age in years) | October 26, 1946 (74) |
| Terms and Conditions of appointment or re-appointment along with details of remuneration | Re-appointment as a Retiring Director and all the terms and conditions of his appointment as Chairman & Managing Director shall continue to apply. |
| Remuneration last drawn | Details mentioned in the Corporate Governance Report |
| Brief Resume | Mr. Sudhir Kumar Munjal joined as a Director of Munjal Auto Industries Limited during the period 1991 to 1993 then he assumed charge as a Managing Director of the Company in 1993. During his tenure as a Managing Director, he has successfully steered the change in focus of the business of the Company from Bicycle to Auto Components manufacturing, which resulted into turnaround of the Company in 1999-2000. He has also been appointed as Chairman of the Company w.e.f. March 28, 2015. He possesses rich experience and expertise in automobile & engineering industry. |
| Date of Appointment in current tenure | October 29, 2018 |
| Qualification | Graduate in Arts |
| Experience | 52 Years |
| Expertise in specific functional areas | <ul style="list-style-type: none"> - Automotive/ Technology/ R&D/ Product Development - Strategic planning, Business Development, Business Operations - Human resources/ people management - Corporate Governance, Regulatory & Public Policy - Consumer sales/ marketing |
| Date on which first appointed on the Board | August 01, 1991 |
| Shareholding in the Company | NIL |
| Directorship held in other public companies (excluding foreign companies) | NIL |
| The number of meetings of the Board attended during the year | 4 Meetings |
| Membership / Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee) | NIL |
| Relationship with other Directors/Key Managerial Personnel (if any) | Mr. Sudhir Kumar Munjal is spouse of Mrs. Anju Munjal and father of Mr. Anuj Munjal, Whole Time Directors of the Company |