



# 29<sup>th</sup> *Annual Report* 2013-14

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## ***MM Auto Industries Limited***

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**Regd. Office & Works :**

Plot No. 192 A, Sector-4, IMT Manesar-122050 Gurgaon,  
(Haryana) INDIA Tel.: +91-124-4763200 Fax : +91-124-4365189  
e-mail : corporate@mmsprings.in website: www.mmsprings.in

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## BOARD OF DIRECTORS

**MR. MANOJ SINGHAL**  
Chairman & Managing Director

**MRS. MALTI SYNGLE**  
M.A.,B.T. (P.E.S), Retd. Principal

**DR. D.R. MEHTA**  
IAS (Retd.)  
Formerly-Chairman-SEBI & Dy. Governor- RBI.

**MR. MAHESH MUNJAL**  
Managing Director-Majestic Auto Ltd., Ludhiana

**MR. DHIRAJ DHAR GUPTA**  
Whole Time Director-KSS Abhishek Safety Systems Pvt. Ltd.

**MR. HARJEET SINGH ARORA**  
Managing Director-Master Trust Limited, Ludhiana.

**MR. TEJ KISHEN MAGAZINE**  
Technocrat  
Whole Time Director

**COMPANY SECRETARY**

**MR. KABINDRA JHA**  
ACS (ICSI, New Delhi)



## CORPORATE INFORMATION

### COMMITTEES

#### AUDIT COMMITTEE

Mr. Tej Kishen Magazine	Chairman
Mr. Mahesh Munjal	Member
Mr. Dhiraj Dhar Gupta	Member

#### REMUNERATION COMMITTEE

Mr. Dhiraj Dhar Gupta	Chairman
Mr. Mahesh Munjal	Member
Mr. Harjeet Singh Arora	Member

#### AUDITORS

M/s Navdeep Singh & Co.  
Chartered Accountants

#### BANKERS

- 1. State Bank of India**  
Chandni Chowk,  
Delhi-110 006
- 2. Yes Bank Ltd.**  
D-12, South Ext. II, New Delhi.

#### REGISTERED OFFICE & WORKS

Plot No.-192-A, Sector-4, IMT Manesar,  
Gurgaon -122 050 (Haryana) India  
Tel: ++91-124-4763200  
Fax: ++91-124-4365189  
E-mail: corporate@mmsprings.in  
Website: www.mmspring.in

Mfg. Unit-II: E-56, Industrial Area,  
Haridwar-249401, Uttarakhand,  
E-mail: hdr@mmsprings.in

## **NOTICE**

Notice is hereby given that the 29th Annual General Meeting of the members of MM Auto Industries Limited will be held on Tuesday, 30th day of September, 2014 at 2.30 P.M. at the Registered office of the Company, at Plot No.-192-A, Sector- 4, IMT Manesar, Gurgaon (Haryana)-122050 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet of the Company as at March 31st, 2014 and Profit & Loss Account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To consider declaration of dividend.
3. To appoint a Director in place of Mr. Mahesh Munjal Director who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mrs. Malti Singhal, Whole Time Director who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

"RESOLVED THAT pursuant to Section 139 of the Companies Act 2013, the companies (Audit and Auditors) Rules 2014 and such other applicable provision, if any of the Companies Act, 2013 or rules framed thereunder M/s Navdeep Singh & Co. Chartered Accountants, having office at 89, Mansahia Colony, Patiala be and are hereby reappointed as Statutory auditors for a period of three years i.e. in respect of financial year 2014-2015 to 2016-17 who shall hold office as statutory auditors from this Annual General Meeting till the conclusion of Annual General Meeting in respect of Financial Year ending 31.03.2017 and to fix their remuneration."

### **SPECIAL BUSINESS**

6. To pass with or without modification, the following as ordinary resolution

RESOLVED that pursuant to the provisions of Section 181 and other applicable provisions of the Companies Act, 2013, consent of members be and is hereby accorded to the Board of Directors to give charitable and other contributions to such persons/institutions/societies to the extent of Rs.75.00 Lac (Rupees Seventy Five Lac) during the financial year 2014-15 which sum may exceed 5% of net profits.

RESOLVED further that Mr. Manoj Singhal, Managing Director be and is hereby authorized to sign such documents as may be required for the above purpose.

By order of the Board  
For **MM AUTO INDUSTRIES LTD.**

Sd/-  
(Kabindra Jha)  
Company Secretary

Place : Manesar (Gurgaon)  
Date : 30-04-2014



**NOTES:-**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxy in order to be effective must be received at the registered office of the company not less than 48 hours before the meeting.
2. Members are requested to communicate any change in address, (along with the documentary proofs) or updating of signature(s), if any, immediately to the Company's Secretarial Department at the registered office of the company.
3. Explanatory statement pursuant of section 102 of the Companies Act is enclosed hereto.

**EXPLANATORY STATEMENT PURSUANT OT SECTION 102 OF THE COMPANIES ACT, 2013.**

Item no.7

The Company is active in social and charitable activities. It is also organizing functions from time to time. As per Companies Act provisions the company can make expenditure upto 5% of net profits. The said amount restrict the activities and the amount is not sufficient for engaging in charitable activities. It is proposed that consent for a sum of Rs.75 Lac may be accorded to the Board of Directors to make expenditure for charitable and social activities.

Place: Manesar (Gurgaon)  
Date: 30.04.2014

By Order of the Board  
**For MM Auto Industries Ltd.**  
Sd/-

**(Kabindra Jha)**  
**Company Secretary**

## **DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have great pleasure in presenting to you the 29th Annual Report along with Audited Accounts for the Financial year ended 31st March 2014.

### **OPERATIONS**

The Directors are glad to inform that the Company has been continuing its growth process by expansion and improvement in terms of technology & human skills upgrade, capital assets etc. In the process, the Company has also improved its turnover, profitability, business value, goodwill & brand image, compared to previous years. During the year under review, the Company has achieved many targets. The Company is confident of achieving improved & progressive results and profitability, in continuity, in coming years. The Financial Results and Profitability are reported here below:

### **FINANCIAL RESULTS**

<b>Particulars</b>	<b>(Rs. in Lac)</b>	
	<b>Financial Year</b>	
	<b>2013-14</b>	<b>2012-13</b>
- Sales including other Income	9289.76	8593.50
- Profit/ (Loss) before tax and depreciation	805.20	589.13
- Depreciation and amortization	258.15	242.42
Profit before tax	547.04	346.71
- Provision for tax	108.35	34.31
Profit on sale of investment	5.20	0.0
- Net Profit after taxation	505.69	306.71

### **CORPORATE IDENTITY**

MM Auto Industries Limited established in 1991 with manufacturing base at Khandsa Road Gurgaon Town. Keeping in view steady growth, the Company shifted its operation as well as Registered office to a very spacious plot of 4 acres (15487.5 sq. mt.) in the Industrial Model Township (IMT) Manesar, Dist. Gurgaon, Haryana, during 2008. With the shifting, the Company achieved yet another milestone in technology upgrade by adding several automatic and imported equipments to the plant. Thus creating new products in the Precision Metallic Coil Springs product range.

The Company has completed infrastructure for manufacturing of Precision Metallic Coil Springs, with fully equipped Coiling, Grinding, Stress Relieving, Material Handling, Packaging & Packing, Quality Assurance, R&D, Utilities & 100% Power Back Up, Efficient Logistics & ERP Support.

Start up manufacturing capacity of 645 mt. to present level of 10000+mt. Further balancing and expansion in Progress.

## **CORPORATE GOVERNANCE**

We at MM AUTO believe that Corporate Governance is based on ethical value system, adopted and practiced in working culture of the Company. At MM AUTO, we practice a Value System based on following principles: 01. Complete Transparency in working. 02. Placing interests of the customers first. 03. Quest for Quality in every action & result. 04. Treating people with respect and grace. 05. Highest Standards of Integrity. 06. Team Work & Ownership Spirit in every action.. 07. Caring for Society & being good Corporate Citizens.

"MM Auto practices a culture of transparency, independence, accountability, responsibility, and fairness with a view to enhance Stakeholders value. Adequate checks & balances ensure that all mandatory provisions of Corporate Governance have duly been complied with in its true spirit.

To achieves the ideals of good Corporate Governance in the Company your Board is taking continued interest in quality control, cleanliness, good relationship and recognizes the interest of its shareholders, employees, customers, stakeholders and Government.

Employees are encouraged and involved in a participatory manner for continuous improvements in the working of the company. A separate report on the Management Discussion and Analysis and Disclosure about remuneration to managerial persons is enclosed as a part of the Annual Report.

## **REPORT ON STRATEGIC BUSINESS UNITS AND EXPANSION PROJECTS**

The Company's Manufacturing Unit - II at Haridwar (Uttarakhand ) has also achieved its target and performed well. During the year under review, the Haridwar unit has achieved turnover of Rs.40.86 crore. The Company expects further expansion at Haridwar plant and get progressive results. Haridwar Plant has been certified as ISO-9001-2008 and ISO/TS 16949-2009 systems compliant.

## **MARKET EXPLORATION & BRAND DEVELOPMENT**

During the year under review, the Company has participated in various International Trade Fairs in India and abroad for Market exploration, Brand & business development. The Company foresees progressive growth in future.

## **CORPORATE SOCIAL RESPONSIBILITY**

We at MM AUTO believe that Corporate Social Responsibility means connecting with people – sharing & caring. In CSR activity, the Company is inspired by what former President of India , Dr APJ Abdul Kalam said: "CSR, if it is implemented with sustainability as a focus, enhances business sustainability, provides new opportunities, develops customer loyalty and improves stakeholder relationship and it should become an integral part of corporate strategy, management practices, business operations, product development and conservation of environment."

Our Company, in a humble manner, regularly contributes for causes, which directly connect with people and the Society. During the year the company donated an amount of Rs. 7104500/- (Rs. 71.04 lacs.) for social causes., such as: Education & scholarships, Promotion of Sports, Women Empowerment, Protection of Animals; Supporting Health Camps & rehabilitation of physically challenged, socio-cultural causes etc.



## **ENVIRONMENT AND ECOLOGY**

We have a Healthy- Safe – Clean - Green work environment for Employees and Surrounding Community.

The company takes care of human safety and healthy environment, energy conservation while designing and buying equipments, plant and machinery.

MM Auto endeavors to comply with all H.S.E. Laws and Regulations (Local – State –Central – International).

MM Auto is committed to Health – Safety – Environment as internal part of Company's Philosophy.

Management and Employees as trustees, responsible and accountable individually and jointly to create a safe and healthy working environment.

Adequate measures are adopted for Rainwater Harvesting in 4 acres premises at Manesar Plant.

There is ZERO Process Water Discharge in the Public Drainage System.

## **SUBSIDIARY COMPANY**

The company has two subsidiaries:

M/s MM Asan Auto Limited

Investment of Rs.234.60 lac

M/s MM Vidyut Private Limited

Investment of Rs.5.00 lac

A Balance Sheet for the year ended 31.03.2014 and statement under the provisions of Section 212 of the Companies Act, 1956 of both companies are enclosed hereto as Annexure to this report.

## **DIVIDEND**

During the year under review, the Board of Directors recommend and declared an interim dividend @ 5% of the paid up capital considering the accumulation of profits of the company, in the interest of the stake holders.

## **FIXED DEPOSITS**

During the year under review, the Company has not accepted any fixed deposit from the public under the provisions of Section 58A and Section 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposit) Rules, 1975.

## **BOARD OF DIRECTORS**

During the year under review, there is change among directors Mr. Devendra Raj Mehta was appointed as Directors among the Board w.e.f. 15-4-2013. Mr. M.P.Jain and Mr. Shreedhar Gupta have resigned from the Directorship w.e.f 15.04.2013 and where as Mr. Livtar Singh Chawla resigned on 01.05.2013. However, pursuant to the provisions of Section 256 of the Companies Act, 1956 Mrs. Malti Syngle and Mr. Mahesh Munjal are liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers themselves for reappointment.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) In the preparation of the Final Accounts for the financial year ending 31-03-2014, the applicable accounting standard had been followed along with proper explanations relating to material departures, if any.
- ii) The Directors have selected such accounting policies and applied them consistently and made Judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit & Loss Account of the company for the year under review;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the Accounts for the financial year ending 31-03-2014, on a going concern basis;

## AUDITORS

M/s Navdeep Singh & Co. have given their consent to act as statutory auditors for the Financial year 2014-15 and being eligible for reappointment, the Board hereby recommends their reappointment. M/s Navdeep Singh & Co. have given Certificate to the effect that their appointment, if made, shall be within the purview of the Companies Act, 1956.

## AUDITORS' REPORT

The Auditor's Report is self explanatory. There being no qualification or adverse remarks in the Report and therefore don't call for any comment.

## AUDIT COMMITTEE

During the year under review, the Audit Committee has reviewed its accounts, audit process and accounting policies. The committee has suggested some improvements in maintenance of accounts and stock which the company is following up and whereas there was no fraud or misfeasance or any such activity which needs attention of shareholders.

The Internal Auditors are presenting Internal Audit Report on quarterly basis. The Audit Committee review the said reports and remedial measures are being taken from time to time.

## INDUSTRIAL RELATIONS

The Company maintains healthy and harmonious relations with workers for the sustainable future development of the organization. To stimulate the entrepreneurial spirit, we encourage delegation, empowerment and promote various schemes to keep their moral high. We also put maximum importance on ethical values and code of conduct.

Yours Directors wish to place on record their sincere appreciation to all the employees for the excellent team spirit, devotion, sustained effort and valuable contribution at all levels during the year. It is hoped that present cordial relations will continue in future.

**PARTICULARS ABOUT CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**Information as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are given in Annexure II.**

**PARTICULARS OF EMPLOYEES**

There is no Employee of the Company (whether employed for the whole of the year or apart thereof) who were in receipt of remuneration exceeding the limits as lay down under Section 217(2A) of the Companies Act, 1956. None of employee is relative of any director.

**ACKNOWLEDGMENTS**

The Directors acknowledge with gratitude the co-operation and assistance received from the Central Government, State Government, Bankers, Customers, Suppliers, Shareholders.

Yours Directors place on record, their appreciation of the efficient and loyal services rendered by the Employees at all levels to the Company.

Yours Directors thank the Shareholders for their continued support, forbearance and the confidence reposed on the Management.

BY THE ORDER OF THE BOARD  
FOR MM AUTO INDUSTRIES LIMITED

Sd/-

Place: Manesar (Gurgaon)

Date: 30.04.2014

(MANOJ SINGHAL)  
CHAIRMAN

## **PART A: MANAGEMENT DISCUSSION AND ANALYSIS**

### **OUTLOOK AND OVERALL REVIEW**

MM Auto, now has emerged one of the premium quality spring manufacturing company in India. It occupies an enviable position today as a premium quality spring manufacturing company. The company has great market future at a domestic level as well as international level and has also potentiality in competing with global standards. For meeting the demand of global market requirement, our company has started commercial production at IMT Manesar, Gurgaon comprising of the State of Art manufacturing facilities to meet the global standards. It is already an ISO9001:2008 and ISO/TS 16949:2009 Systems Certified Precision Metallic Helical Coil Springs manufacturing company. The Company continues to be member of IST, UK. As a result of this membership, the Company has improved its quality of its products. The Company continues its thrust on developing more efficient systems in over all operations and continuous upgrade of human skills. The manufacturing cost indicates improvement due to process of up-gradation. However, the results and benefits of technical tie-up are yet to be analyzed.

### **REPORT ON STRATEGIC BUSINESS UNITS**

The Company's Plant Design, Machinery, Equipment, Manufacturing Process and Quality Systems are as per latest International Practices & Standards. The Company has improved the standards & practices in the areas of operation, health, safety and working environment.

Productivity, quality, delivery and cost optimization are appreciable. Continuous team efforts & involvement result in achieving excellence. Company growth objectives, increased business commitments are rock anchored in the pragmatic plans of company business futures. Our company is aggressively trying to explore further business expansion in the two wheeler and four wheeler segments of Automotive industry and hopeful to get success in the near future.

### **CODE OF CONDUCT**

Company's code of conduct, laid down by the Board of Director's reflects the clarity of purpose and vision of the company.

### **OPPORTUNITIES, THREATS AND RISKS**

Opportunities are constantly knocking at our doors because of continuous and rapid growth of the Automobile Industry in the country. Our Company will live up to the expectation of the share holders in all respects. Threats and risk thrown up by stiff competition will be met and over run by our infrastructure readiness without any cause of concern.

### **TECHNOLOGY RISK**

Spring manufacturing technology in India has achieved steady stable condition without much threat of obsolescence. Company however is quite vigilant of technology obsolescence and will not hesitate to bring in the new machines and equipments.

## FINANCIAL RISK

The Company has adequate systems and control to circumvent any financial risk. The company inculcated Lean Engineering philosophy and methodology to minimize waste, minimize inventory, single piece flow, reduced lead time and minimized process time etc.

## INTERNAL CONTROLS AND ADEQUACY

The Company has in house internal control system which is being reviewed by the Audit Committee from time to time. The Internal Auditors are presenting Internal Audit Report on quarterly basis. The Audit Committee reviews the said reports and remedial measures are being taken from time to time.

## HUMAN RESOURCES

Human resources being the most valuable resources of the organization, the company ensure nurturing the human values in building a highly motivated and spirited team of dedicated set of people to transform the dream and vision of the company into reality. Employee's relations have remained cordial and peaceful through out the year.

The Company constantly draws attention of employee's through motivation, training and development programmed for improving the productivity, knowledge & skills up gradate and quality of standards in all areas including operation, health, safety and environment. The Company is striving hard to achieve the better results and to become a part of global market in its respective field.

## CAUTIONARY STATEMENT

Above averments are forward-looking in nature, based on certain assumptions and expectations of the future events that are subject to risk/uncertainties, change in Government regulations, tax structure and economic policies. Therefore, the performance/results and trends may differ materially from the historical results

## PART B: DISCLOSURE ABOUT REMUNERATION TO MANAGERIAL PERSONS AND CONSTITUTION OF REMUNERATION COMMITTEE

### REMUNERATION COMMITTEE

The existing Remuneration Committee comprises of three members namely Mr. Dhiraj Dhar Gupta, Mr. Mahesh Munjal and Mr. Harjeet Singh Arora. During the year under the review the remuneration of Mr. Manoj Singhal, Chairman & Managing Director has been increased from Rs. 10,00,000/- per month to Rs. 15,00,000/- and remuneration of Mrs. Malti Syngle, Whole Time Director shall remain the same as Rs.3,50,000/- per month and remuneration of Mr. Tej Kishen Magazine, whole time director shall remain the same as Rs. 70,000/- per month.

The terms of reference of the 'said committee' are as follows:

1. To determine on behalf of the Board and on behalf of the Shareholders the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.
2. To approve the payment of remuneration to Managerial Personnel as per policy lay down by the Committee.



**Remuneration Policy:**

The existing remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on an annual basis. This policy is in consonance with the existing industry practice.

Subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be necessary the Executive Directors is paid remuneration as per the agreement entered into between them and the Company. The present remuneration package to Executive Directors includes salary, perks, performance linked incentive etc.

**ANNEXURE II**

**PARTICULARS ABOUT CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**A. CONSERVATION OF ENERGY POWER & FUEL CONSUMPTION**

The Provisions of Part A are not applicable.

**B. TECHNOLOGY ABSORPTION**

**Research and Development (R&D)**

The Company is continuously engaged in Research & Development program to improve its Products & Services to meet the changing needs of its customers. Since, there is no separate R & D division; the data cannot be segregated separately. The Company has been carrying out testing, quality check and development activities as per customer requirement. The information as per form B is as under:

**1. Specific areas in which R&D was carried out by the Company**

Design and development of Steel springs like Compression springs, torsion spring, extension spring, spiral springs and springs in wire forms. The Company maintains its own Laboratory where different springs are being tested on highly sophisticated and latest testing equipments. Quality checks are made at different levels. Your Company has been able to develop processes and methodologies that have resulted in constant improvement in quality and productivity.

**2. Benefits derived as a result of the above R&D**

By using lean manufacturing methodologies, & installing the CNC machines we ensured the level of accuracy & efficiency get improved and ultimately it reduce the cost.

**Future plan of action**

The Company has no specific plan to establish separate Research & Development division in near future.

**Expenditure on R&D**

Since there is no separate R&D division, as such, specific expenses incurred on it are not quantifiable.

### Technology Absorption, Adaptation and Innovation

The information as per form B is as under:

- a) Efforts, in brief, made towards technology adaptation and innovation:  
The company has in-house technology department & the Company has been availing technical support by virtue of Membership of Institute of Spring Technology (IST), UK for continuous up-grade of technology.
- b) We also take advantage of technological improvements from our Membership of:
  - Indian Institute of Metals (IIM)
  - The Automotive Research Association of India (ARAI)
  - Automotive Components Manufacturers Association of India (ACMA)
2. Benefits derived as a result of the above efforts are product improvement, cost optimization, product development and import substitution:

With the support of IST- UK and others, the Company has improved its quality of springs and the Company improves upon its systems. The manufacturing cost is being controlled by process up gradation. The Company has purchased sophisticated software for design & manufacturing springs. The Company has also been taking expert advise from time to time to satisfy the customer requirement.

- 3 In case of Imported Technology (Imported during the last 5 years right from the beginning of the financial year), following information may be furnished.

The company has not imported any technology during the last five years. However, we get adequate technical inputs by virtue of Membership of IST, UK for up-gradation of technology. The full impact of cost of improvements in Research and Development, as a result of recent up-gradation can not yet be fully and accurately stated.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

	Current year (Rs.)	Previous year (Rs)
Earnings	2005779	59370
Outgo		
CIF value of raw material	36030826/-	12910911/-
Other	NIL	2611750/-

BY THE ORDER OF THE BOARD  
FOR MM AUTO INDUSTRIES LIMITED

Place: Manesar (Gurgaon)  
Date: 30.04-2014

Sd/-  
(MANOJ SINGHAL)  
CHAIRMAN





**STATEMENT U/S 212 OF THE COMPANIES ACT, 1956 OF SUBSIDIARY COMPANY**

1	NAME OF SUBSIDIARY COMPANY	M M VIDYUT PRIVATE LIMITED.	MM ASAN AUTO LIMITED
2	Financial Year ended	2013-14	2013-14
3	Date from which they became Subsidiary Companies	30.03.2012	24.07.2013
4	a Shares of subsidiary held by the M and M Auto Industries Ltd. with number and face value	50000 Shares @ Rs.10 each, total Rs.500000	2346000 Shares @ Rs.10 each, total Rs. 23460000
	b Extent of Interest of Holding Company at the end of the Financial Year of the Subsidiary Companies in %	83.33%	63.30%
5	The net aggregate amount of profits or losses of the Subsidiary so far as it concern the Members of Holding Company		
	a Not dealt with in the Holding Company' s Accounts -		
	i) For the Financial Year ended 31 stMarch, 2013	(NA )	(9211328)
	ii) For the Previous Financial Years	(88,109)	(18616907)
	b Dealt with in the Holding Company's Accounts -		
	i) For the Financial Year ended 31st March, 2013	NIL	NIL
	ii) For the Previous Financial Years	NIL	NIL

Date: 30.04.2014.

**For MM AUTO INDUSTRIES LIMITED.**

Place: Delhi

S/d  
Chairman & Managing Director      S/d  
Company Secretary

## AUDITOR'S REPORT

To  
The Members of **MM Auto Industries Limited**

### Report on the Financial Statements

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

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th Sept, 2013 of the ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For NAVDEEP SINGH & CO.  
Chartered Accountants  
Firm Registration No.: 08400N  
Sd/

(NAVDEEP SINGH CHOUDHARY)  
Partner  
Membership No. 034979

PLACE : Manesar  
DATE : 30.04.2014

### ANNEXURE TO THE AUDITOR'S REPORT

Referred to our Report of even date:

1. (a) The Company has maintained proper records of fixed assets showing full particulars including quantitative details and its situation.
- (b) The Management conducted the physical verification of assets at such intervals as considered appropriate. It has however, been reported that no discrepancies were noticed between the book records and the physical verification so carried out. In our opinion, the frequency of physical verification was reasonable having regard to the nature and size of the business of the Company.
- (c) The company has not disposed of any substantial part of its fixed assets, which has any effect on its going concern during the year.
2. (a) As explained to us, the management at reasonable intervals during the year has physically verified the inventories. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its business.
- (b) In our opinion and according to the information and explanation given to us, the Procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories.
3. (a) According to the information and explanations given to us, the company has granted unsecured loans to company covered in the register maintained under Sec.301 of the Companies Act, 1956. The Amount advanced during the Year is Rs 380/ lacs to M M Asan Auto Ltd.
- (b) The Rates of Interest and other terms and condition of the loan given are prima facie not prejudicial to the interest of the company.
- (c) The Loan has been received back during the year.
- (d) According to the information and explanation given to us, the company has taken unsecured loan during the year from party covered in the register maintained under section 301 of the act amounting to Rs 10.00 lacs. The maximum amount involved during the year was Rs 10.00 lacs.
- (e) In our opinion and according to the information and explanations given to us, the Interest @ 14% has been paid. The other terms and conditions on which loan has been taken from parties listed in the register maintained under section 301 of the companies Act, 1956 are prima facie, not prejudicial to the interest of the company.
- (f) The Loan has been repaid during the year.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchases of inventories and fixed assets and for the sale of goods and services. No major weaknesses have been observed in the internal control system.
5. (a) As observed by us, all the particulars of contracts and arrangements that need to be entered in the register maintained in pursuance of sec.301 of the act have been entered.  
(b) According to the information and explanations given to us, the transactions made in pursuance to contracts or arrangements entered in the register maintained under sec.301 of the Companies Act,1956, aggregating to Rs.5,00,000 or more during the year in respect of each party have been made at prices which are reasonable having regard to prevailing market prices as available with the Company.
6. In our opinion and according to the information and explanations given to us, the provisions of Section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956, with regard to the deposits accepted from the public are not applicable, as the Company has not accepted any deposit from the public.
7. In our opinion and according to the information and explanations given to us, clause 4(vii) of the order related to internal audit, the Company has an adequate internal audit system commensurate with its size and nature of its business.
8. We have carried out a limited review of the books of accounts and cost records maintained by the company ,pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. in respect of certain manufacturing activities and are of the opinion that, prima facie, the prescribed accounts and the records have been maintained. We have, not, however made a detailed examination of the said records with a view to determine whether they are accurate or complete.
9. (a) It has been observed that the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty, cess and any other statutory dues as applicable with appropriate authorities.

According to the information and explanations given to us, there are no disputed amounts payable in respect of statutory dues including Provident Fund, Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty, Outstanding for a period of more than six months as at 31st March 2014 from the date they become Payable.

(b) There is no disputed amount payable in case of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty, Cess and any other statutory dues as applicable with appropriate authorities.

10. (a) The company does not have accumulated losses as at the end of the financial year.  
  
(b) The company has not incurred cash loss in financial year ended 31st march 2014 and immediately preceding financial year.
11. In our opinion and according to the records of the company examined by us and the information and explanations given to us, the company has generally not defaulted in repayment of dues to any financial institution or bank. As informed to us, the company has not raised money through debentures during the year.
12. In our opinion and according to the explanations given to us, the company has not granted any loan or advances on the basis of security by way of Pledge of shares, debentures and other securities, therefore, the provisions of Paragraph 4(xii) of the order are not applicable to the company.
13. The company is not a chit fund company or nidhi / mutual benefit fund / Society. Accordingly, the provisions of paragraph 4(xiii) of the order are not applicable to the company.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of paragraph 4 (xiv) of the order are not applicable to the company.
15. According to the information and explanations given to us the company has given a corporate guarantee (in the year 2012-13) and provided collateral security in the form of its factory land & building situated at 192A, sector –IV, IMT manesar for working capital and term loan of RS 5.90 crores sanctioned by state bank of India to one of its Subsidiary M/s M M ASAN AUTO limited.
16. As per information and explanation given to us and on the basis of financial statements made available to us, all the term loans raised during the year were applied for the purpose for which loans were obtained.
17. According to the information and explanation given to us and on the basis of overall examination of the balance sheet of the company made available to us, we report that no funds raised on short term basis have been used for long term investment by the company.
18. We are informed that the company has made preferential allotment of shares to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 amounting to Rs 500 lacs. The price at which shares have been issued does not seem to be prejudicial to the interest of the Company.
19. According to the information and explanations given to us, the company has not issued any debentures. Accordingly, the provisions of paragraph 4 (xix) of the order are not applicable to the company.

20. According to the information provided to us, the company is not listed with any stock exchange. Accordingly, the provisions of paragraph 4(xx) of the order are not applicable to the company.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For NAVDEEP SINGH & CO.  
Chartered Accountants  
Firm Registration No.: 08400N  
Sd/

(NAVDEEP SINGH CHOUDHARY)  
Partner  
Membership No. 034979

PLACE : Manesar  
DATE :30.04.2014

## MM AUTO INDUSTRIES LIMITED

PLOT NO-192 A, SECTOR-4, IMT MANESAR, GURGOAN, HARYANA - 122050

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note	Amount in Rs.	Amount in Rs.
		March 31, 2014	March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	72,462,170	69,962,170
Reserves and Surplus	2	367,633,658	280,813,618
		<b>440,095,828</b>	<b>350,775,788</b>
Share Application money pending allotment		-	9,040,000
		-	9,040,000
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	181,471,519	129,791,521
Deferred Tax Liabilities (Net)		30,195,551	32,007,042
Other Long Term Liabilities	4	6,276,534	5,283,415
		<b>217,943,604</b>	<b>167,081,978</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	5	124,027,532	92,232,489
Trade Payables	6	46,364,163	72,565,922
Other Current Liabilities	7	57,263,978	97,478,561
Short-Term Provisions	8	25,096,737	16,592,791
		<b>252,752,410</b>	<b>278,869,763</b>
	<b>Total</b>	<b>910,791,842</b>	<b>805,767,529</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets (Tangible Assets)	9	381,830,257	374,886,119
Non-current investments	10	267,798,519	147,776,614
Long term loans and advances	11	5,228,648	5,235,007
		<b>654,857,424</b>	<b>527,897,740</b>
<b>Current Assets</b>			
Current investments	12	2,011,968	11,165,254
Inventories	13	114,498,753	89,576,589
Trade receivables	14	92,716,600	109,219,483
Cash and cash equivalents	15	2,032,878	25,597,942
Short-term loans and advances	16	44,674,220	42,310,521
		<b>255,934,418</b>	<b>277,869,790</b>
	<b>Total</b>	<b>910,791,842</b>	<b>805,767,529</b>
	24	0	0

## NOTES TO ACCOUNTS

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

FOR NAVDEEP SINGH &amp; CO.

CHARTERED ACCOUNTANTS

Firm Reg. No.: 08400N

Sd/-

(CA. NAVDEEP SINGH CHOUDHARY)

FCA, DISA (ICAI)

Partner

Membership No. : 034979

For &amp; on behalf of Board of Directors

Sd/-

Manoj Singhal

(CHAIRMAN &amp; MANAGING DIRECTOR)

Sd/-

Multi Syngle

(DIRECTOR)

Sd/-

Kabindra Jha

(COMPANY SECRETARY)

PLACE: MANESAR

DATED: 30.04.2014





**MM AUTO INDUSTRIES LIMITED**

PLOT NO-192 A, SECTOR-4, IMT MANESAR, GURGOAN, HARYANA - 122050  
**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2014**

Particulars	Note	Amount in Rs.	
		March 31, 2014	March 31, 2013
I Revenue from operations		926,484,958	892,160,920
II Less : Exice Duty		58,952,728	62,959,020
		867,532,230	829,201,900
Other Income	17	61,444,296	30,149,018
<b>III. Total Revenue (I +II)</b>		<b>928,976,526</b>	<b>859,350,918</b>
IV <b>Expenses:</b>			
Cost of materials consumed	18	592,636,645	557,980,382
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(15,805,218)	10,439,285
Employee Benefit Expense	20	55,279,211	51,127,514
Finance Costs	21	40,484,720	29,576,524
Depreciation and Amortization Expense	22	25,815,869	24,242,357
Other Expenses	23	175,860,858	151,313,834
<b>Total Expenses (IV)</b>		<b>874,272,084</b>	<b>824,679,896</b>
V Profit before exceptional and extraordinary items and tax (III-IV)		54,704,442	34,671,022
VI Less : Exceptional Items		-	-
VII Profit after extraordinary items (V+VI)		54,704,442	34,671,022
VIII Add : Extraordinary Items		-	-
IX Profit before tax (VII+VIII)		54,704,442	34,671,022
X <b>Tax expense:</b>			
(1) Current Income Tax		10,835,322	6,942,975
(2) Dividend Tax		615,747	567,743
(3) Deferred tax		(1811491)	1773413
(4) Wealth tax		106,299	75,999
(5) MAT tax Entitlement		(5,611,037)	(5,360,731)
XI Profit(Loss) from the perid from continuing operations (IX-X)		50,569,602	30,671,623
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discounting operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII-XIII)		-	-
XV Profit/(Loss) for the period		50,569,602	30,671,623
Earning per equity share:			
(1) Basic		6.98	4.38
(2) Diluted		6.98	4.38

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Profit & Loss Statement referred to in our Report of even date.

**FOR NAVDEEP SINGH & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Reg. No.: 08400N

Sd/-  
**(CA. NAVDEEP SINGH CHOUDHARY)**  
 FCA,DISA(ICAI)  
 Partner  
 Membership No. : 034979

For & on behalf of Board of Directors

Sd/-  
 Manoj Singhal  
 (CHAIRMAN & MANAGING DIRECTOR)

Sd/-  
 Malti Syngle  
 (DIRECTOR)

Sd/-  
 Kabindra Jha  
 (COMPANY SECRETARY)

PLACE: MANESAR  
 DATED:30.04.2014

**MM AUTO INDUSTRIES LIMITED**  
Schedule Forming Integral Part of Balance Sheet as at 31st March, 2014

**Note : 1 Share Capital**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	<b>AUTHORIZED CAPITAL</b> 80,00,000 Equity Shares of Rs. 10/- each. 2,00,000 Preference Shares of Rs. 100/- each.	80,000,000 20,000,000 <b>100,000,000</b>	80,000,000 20,000,000 <b>100,000,000</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> <i>To the Subscribers of the Memorandum</i> 20 Equity Shares of Rs. 10/- each, Fully  7246197 Equity Shares of Rs. 10/- each, Fully	200  72,461,970	200  69,961,970
	<b>Total</b>	<b>72,462,170</b>	<b>69,962,170</b>
3	<b>RECONCILIATION OF SHARES</b>		
		₹	₹
	<b>Particulars</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
	At the begning of the year ( no. of Shares)	6,996,217	6,996,217
	Add : Issued during the year	250,000	-
	Add : issued in pursuant to scheme of Amalagamation	-	-
	<b>Shares at the end of year</b>	<b>7,246,217</b>	<b>6,996,217</b>
4	<b>Terms / Rights attached to Equity Shares</b> The Company has only one class of equity shares having a par value of Rs. 10/- each. The Equity Shares have Rights, Preferences and restrictions which are in accordance with the Provisions of Law, in particular to the Companies Act, 1956.		
5	No Shares are being held by any Holding \ Ultimate Holding Company and \ or there Subsidiaries \ Associates		
6	No shares were issued as Bonus Shares and for consideration other than cash during the period of five years immediately preceding the reporting date.		
7	<b>Details of Shareholders holding more than 5% Shares</b>		
		₹	₹
	<b>Particulars</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
	Shares Held by Mr. Manoj Singhal - Director	3,310,150	3,064,733
	% of Shares Held by Mr. Manoj Singhal - Director	45.68%	43%
	Shares held by MNS Global Finance Private Limited - Related Party	3,179,916	3,167,416
	% of Shares held by MNS Global Finance Private Limited - Related Party	43.88%	45%
	<b>Shares at the end of year</b>	<b>6,490,066</b>	<b>6,232,149</b>
8	<b>Terms of Securities convertible into Equity Shares</b>	Nil	Nil

**Note : 2 Reserve & Surplus**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	Securities Premium reserve	169,799,775	122,299,775
2	Surplus (Profit & Loss Account)	197,833,883	158,513,843
	Balance brought forward from previous year	158,513,843	131,340,332
	Less: Dividend	(3,623,109)	(3,498,112)
	Less- Prior Period Exp of Duty and Interest on Exports	(8,683,387)	
	Add- Tax Adjustments for previous years	1,056,933	
	Add: Profit for the period	50,569,602	30,671,623
	<b>Total</b>	<b>367,633,658</b>	<b>280,813,618</b>

**Note : 3 Long Term Borrowings**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	<b>Term Loan</b>		
	- From Bank	164,751,955	129,791,521
	- From Others	16,719,564	-
	<b>Total in `</b>	<b>181,471,519</b>	<b>129,791,521</b>

**Note :**

- All Term Loans , Cash Credit & Other Facilities of State Bank Of India ( TL - Rs. 941 Lacs, CC - Rs. 986 Lacs) are secured by -  
First Charge on entire Current Assets including Raw Material, SIP,FG, Stores, Spares, Book Debts, Receivables, Cheques etc. lying at the factory premises, godown, ware house, office etc.
- The credit facilities are further collateral secured by Charge over Property of 1/3 km Store, Khandsa Road, Gurgaon and at 192 A, Sector 4, IMT Manesar.
- The Credit & other Facilities from Yes Bank (551 lacs) is secured by Charge over property at Plot No. 3, Sector -4, Sidkul, Haridwar and subservient charge on all current assets of the company.
- Vehicle loans are secured by respective vehicles financed.
- Loan against property from ICICI Bank ( Rs. 362 Lacs) is secured by charge on property at B 164, Engima, Sector - 110, Gurgaon.
- Loan Against Property from ICICI Bank ( Rs 614 lacs ) is secured by Charge on Property at flat no CTC 102 The Crest DLF city, Phase -V Sector 54 Gurgaon
- Loan Against property from india Bull finance Company ( Rs 156 lacs) is secured by charge on Property 21-1604 and 21-1704 at India Bull Greens Panvel Maharashtra

**Note : 4 Other Long Term Liabilities**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	Security with Hi Trac Manpower Service	25,000	25,000
2	Security Rent with M M Asan Auto Limited	720,000	720,000
3	Provision for Leave Encashment	785,647	780,134
4	Provision for Gratuity	4,745,887	3,758,281
	<b>Total in `</b>	<b>6,276,534</b>	<b>5,283,415</b>

**Note : 5 Short Term Borrowings**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	<b>Loan Repayable on Demand</b>		
	- From Bank	123,771,226	92,055,097
	- From Directors & Associate Firms	256,306	177,392
	<b>Total in ₹</b>	<b>124,027,532</b>	<b>92,232,489</b>

**Note : 6 Trades Payable**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	-Sundry Creditors for Material/Supplies:	41,255,833	25,945,468
2	-Sundry Creditors for Services:	5,108,330	46,620,454
	<b>Total in `</b>	<b>46,364,163</b>	<b>72,565,922</b>

**Note : 7 Other Current Liabilities**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	Cheques Issued But Not Presented For Payment	109,978	109,978
2	Short Term Advances from Customers	-	97,106
3	Advance against Sale of Assets	-	37,498,000
	Current Maturities of Term Loan	57,154,000	59,773,477
	<b>Total in `</b>	<b>57,263,978</b>	<b>97,478,561</b>

**Note : 8 Short Term Provisions**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	<b>Provision For Employees Benefit</b>		
	EPF Payable	355,701	183,970
	E.S.I.C. Payable	86,546	3,309
	E.W.F. Payable	3,215	3,105
	Provision for Gratuity	761,027	935,981
	Provision for Leave Encashment	58,237	79,437
	Wages Payable	1,098,412	1,478,119
	Salary Payable	1,093,966	1,123,087
	Overtime Payable	407,299	353,309
	Director Salary Payable	1,184,980	658,442
2	<b>Others</b>		
	Security Expenses Payable	76,418	69,445
	Telephone Expenses Payable	38,270	84,740
	Electricity Expenses Payable	1,734,159	1,384,199
	Bonus Payable	363,429	454,739
	Expenses Payable	334,070	39,100
	Service Tax Payable	269,527	352,845
	Sales Tax Payable	848,779	782,590
	TDS Payable	1,202,226	989,451
	Provision for Income Tax	10,835,322	6,942,975
	Provision for Wealth Tax	106,299	106,205
	Dividend Tax Payable	615,747	567,743
	Interim Dividend Payable	3,623,109	
	<b>Total in ₹</b>	<b>25,096,737</b>	<b>16,592,791</b>

**MM Auto Industries Limited**  
**Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2014**

Note : 9 Fixed Asset  
 I. Fixed Assets

Sr. No	Particulars	Rate	Gross Block			Depreciation			Net Block			
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WOW as on 31.03.2014	WOW as on 31.03.2013
	<b>Tangible Assets</b>											
1	Land	0.00%	61,806,137	28,556,171	2,944,716	87,520,533	-	-	87,520,533	-	-	61,806,137
2	Building	3.34%	109,825,125	266,300	9,970,379	100,121,046	362,206	3,340,315	76,947,868	23,173,178	76,947,868	85,630,855
3	Plant and Equipment	4.75%	363,606,046	14,601,987	744,319	377,463,704	288,556	17,856,236	176,647,451	200,816,253	176,647,451	180,357,473
4	Office Equipments	4.75%	10,278,461	1,106,451	477,000	10,909,312	3,883,650	507,687	6,606,565	4,391,347	6,606,565	6,394,801
5	Electrical & Other Equipments	4.75%	14,935,199	-	-	14,935,199	4,249,394	714,588	9,971,217	4,961,982	9,971,217	10,685,865
6	Furniture & Fixtures	6.33%	3,586,001	47,390	-	3,633,391	1,854,411	239,599	2,094,680	1,539,311	2,094,680	1,721,520
7	Flags & Fixtures	4.75%	4,331,755	301,125	-	4,632,880	1,775,790	207,251	1,981,041	2,649,839	2,649,839	2,555,965
8	Computer Systems	16.21%	494,336	455,883	-	950,219	116,194	134,702	250,866	699,353	699,353	378,172
9	Commercial Vehicle	11.31%	3,941,189	-	-	3,941,189	2,032,687	445,748	3,478,435	1,462,754	3,478,435	1,908,502
10	Cars	9.50%	24,338,768	946,176	1,412,569	23,875,375	5,120,011	2,279,606	17,588,272	17,588,272	17,588,272	19,218,147
11	Motorcycle & Scooters	9.50%	424,353	60,099	86,825	397,627	234,863	40,522	168,949	168,949	168,949	189,495
12	Cycles	7.07%	22,662	-	-	22,662	9,666	1,692	11,268	11,268	11,268	12,996
13	MISC ASSETS											
	Each Costing <= to 500/-											
(a)	Furniture & Fixture	100.00%	170,824	-	-	170,824	170,824	-	170,824	-	-	26,451
(a)	Others	100.00%	1,070,541	46,254	-	1,116,795	1,044,090	59,013	1,402,103	14,692	14,692	26,451
	<b>SUB TOTAL (A)</b>		<b>598,801,402</b>	<b>46,585,837</b>	<b>15,635,818</b>	<b>629,781,421</b>	<b>223,945,283</b>	<b>25,815,869</b>	<b>247,951,104</b>	<b>361,830,257</b>	<b>361,830,257</b>	<b>374,886,119</b>
	<b>SUB TOTAL (B)</b>											
	<b>SUB TOTAL (C)</b>											
	<b>Intangible Assets Under Development</b>											
	<b>SUB TOTAL (D)</b>											
	<b>Total (A + B + C + D) (Current Year)</b>		<b>598,801,402</b>	<b>46,585,837</b>	<b>15,635,818</b>	<b>629,781,421</b>	<b>223,945,283</b>	<b>25,815,869</b>	<b>247,951,104</b>	<b>361,830,257</b>	<b>361,830,257</b>	<b>374,886,119</b>
	<b>(Previous Year)</b>		<b>560,219,395</b>	<b>21,610,137</b>	<b>3,278,463</b>	<b>576,740,659</b>	<b>176,210,900</b>	<b>30,572,669</b>	<b>206,011,861</b>	<b>372,748,808</b>	<b>372,748,808</b>	<b>384,118,495</b>

**Note : 10 Non Current Investment**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	Investment in Property ( at Cost)	238,838,519	137,796,614
2	Investment in Equity Instrument ( Unquoted) In Associates (Unquoted)		
	M M Asan Auto Limited (Subsidiary) 2346000 ( Previous Year 700000) Equity Shares of Rs. 10 each fully Paid - up	23,460,000	6,480,000
	M M Vidyut Private Limited 50000 ( Previous Year 50000) Equity Shares of Rs. 10 each fully Paid - up	500,000	500,000
3	Share Application Money ( M M Asan Auto Limited)	-	3,000,000
4	MM infosystems Private Limited (Amount Paid for purchase of Shares)	5,000,000	
	<b>Total in ₹</b>	<b>267,798,519</b>	<b>147,776,614</b>

**Note : 11 Long Term Loans and Advances**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1)	<u>Security Deposit</u>		
	a) Secured, Considered Good :		
	Other Deposit	5,228,648	5,235,007
	<b>Total in ₹</b>	<b>5,228,648</b>	<b>5,235,007</b>

**Note :12 Current Investment**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	In Short term Fixed Deposits ( including Accrued Interest)	2,011,968	11,165,254
	<b>Total in ₹</b>	<b>2,011,968</b>	<b>11,165,254</b>

**Note : 13 Inventories**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	Raw Material	27,370,287	15,728,676
2	Work-in-Progress	61,342,420	49,843,838
3	Finished Goods	8,422,723	4,245,335
4	Stores, Spares & Tools	16,917,508	19,451,206
5	Scrap	177,925	48,677
6	Stationery, Electrical & Others	267,890	258,857
	<b>Total in</b>	<b>114,498,753</b>	<b>89,576,589</b>

**Note : 14 Trade Recievables**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	<u>Outstanding for more than six months</u>		
	a) Unsecured, Considered Good :		
		17,653,558	5,296,749
2	<u>Others</u>		
	a) Unsecured, Considered Good :		
		75,063,041	103,922,734
	<b>Total in ₹</b>	<b>92,716,600</b>	<b>109,219,483</b>

**Note : 15 Cash & Cash Equivalent**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	Cash-in-Hand	1,575,246	895,925
	Sub Total (A)	1,575,246	895,925
2	<u>Bank Balance</u> Balance In Current Accounts	457,632	24,702,017
	Sub Total (B)	457,632	24,702,017
	<b>Total [ A + B ]</b>	<b>2,032,878</b>	<b>25,597,942</b>

**Note :16 Short Terms Loans and Advances**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	Others		
	Advance to Suppliers	14,420,838	20,081,764
	Advance duty and taxes	25,100,194	14,213,558
	Balance With Revenue Authorities ( Indirect Taxes)	3,715,232	4,398,885
	Prepaid Expenses	251,478	668,539
	Staff Advances	716,012	1,083,997
	Credit Cards		(30,997)
	Other Advances		1,424,310
	Interest Receivable	470,465	470,465
	<b>Total in</b>	<b>44,674,220</b>	<b>42,310,521</b>

**Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2014**

**Note : 17 Other Income**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
1	Discount Received	20,145,717	17,102,839
2	Profit/Loss on Sale of Fixed Assets	25,032,170	435,526
3	Interest Received	5,093,203	1,379,960
4	Misc. Income	79,202	109,371
5	Reimbursement of Staff Cost and other expense	3,120,000	3,120,000
6	Rent Received	5,035,800	4,578,000
7	Scrap Sale	2,394,494	3,053,908
8	Short & Excess (R/O)	11,737	52,093
9	Sundry Creditors Written Back	11,974	317,321
10	Profit on sale of Investments ( shares)	520,000	
	<b>Total</b>	<b>61,444,296</b>	<b>30,149,018</b>

**Note : 18 Cost of Material Consumed**

Sr. No	Particulars	₹	₹
		March 31, 2014	March 31, 2013
a)	<b>RAW MATERIALS AND STORES CONSUMED</b>		
1	Opening Stock of Raw Material & Stores	35,179,882	35,173,235
2	Purchase of Raw Material	582,468,034	518,463,213
3	Purchase of Stores & Consumables	19,544,414	39,523,816
4	Less : Closing Stock of Raw Material & Stores	44,555,685	35,179,882
	<b>Total</b>	<b>592,636,645</b>	<b>557,980,382</b>

**Note : 19 Change in Inventories of Finished Goods, WIP & Others**

Sr. No	Particulars	March 31, 2014	March 31, 2013
1	Opening Stock	54,137,850	64,577,135
2	Closing Stock	69,943,068	54,137,850
	<b>Total</b>	<b>(15,805,218)</b>	<b>10,439,285</b>

**Note : 20 Employment Benefit Expenses**

Sr. No	Particulars	₹ March 31, 2014	₹ March 31, 2013
1	<b>Salary Expenses</b>		
	Salary	15,225,595	13,760,765
	House Rent Allowance	5,413,515	4,648,960
	Bonus	357,878	454,842
	Conveyance Allowance	2,006,505	1,444,823
	Wages	13,518,242	11,928,017
2	<b>Overtime, Gratuity &amp; Leave Encashment Expenses</b>		
	Overtime	4,820,449	4,213,392
	Gratuity Expenses	950,248	1,288,909
	Leave Encashment	837,074	137,439
3	<b>PF &amp; Other Expenses</b>		
	Employer's Contribution to EPF	2,539,631	1,941,602
	Employer Contribution to EWF	25,460	12,370
	Employer Contribution to ESIC	639,146	607,353
	P.F. Administration and Other Charges	206,996	-
4	<b>Staff Welfare Expenses</b>		
	Annual Day Expenses	797,631	405,333
	Festival Expenses	3,359,403	4,988,552
	Diwali Expenses	745,541	473,066
	Food & Beverages-Staff	1,938,061	1,224,005
	Pooja Expenses	89,234	113,115
	Staff Welfare	1,397,685	1,752,270
5	<b>Staff Recruitment &amp; Training Expenses</b>		
	Staff Recruitment Expenses	22,320	25,972
6	<b>Medical Expenses</b>		
	Medical Expenses	90,470	50,067
	Medical Reimbursement	298,127	1,656,662
	<b>Total</b>	<b>55,279,211</b>	<b>51,127,514</b>

**Note :21 Financial Cost**

Sr. No	Particulars	₹ March 31, 2014	₹ March 31, 2013
1	Bank Charges & comission	2,359,226	3,407,683
2	Interest Expenses	38,125,494	26,168,840
	<b>Total</b>	<b>40,484,720</b>	<b>29,576,524</b>

**Note : 22 Depreciation & Amortised Cost**

Sr. No	Particulars	₹ March 31, 2014	₹ March 31, 2013
1	Depreciation	25,815,869	24,242,357
	<b>Total</b>	<b>25,815,869</b>	<b>24,242,357</b>



**Note : 23 Other Expenses**

₹

₹

Sr. No	Particulars	March 31, 2014	March 31, 2013
1	Telephone Expenses	875,617	820,283
2	Travelling Expenses (Including Foreign Travelling)	5,195,467	4,389,183
3	Insurance Expenses	1,361,920	918,161
4	Postage & Telegram	979,747	416,428
5	Security Expenses	4,173,463	3,359,858
6	Printing & Stationery Expenses	2,541,018	1,279,813
7	Rent	4,236,709	4,063,106
8	Vehicle Running & Maintenance Expense	3,330,517	3,725,047
9	Donation	7,104,500	7,134,152
10	Conveyance & Transportation Expenses - Staff & Workers	1,619,429	935,384
11	Director Remuneration	20,200,000	13,835,000
12	<b>Repair &amp; Maintenance</b>		
	Repair & Maintenance Building	1,059,691	2,287,873
	Repair & Maintenance	449,958	1,077,024
	Service Charges	467,513	322,596
13	<b>Legal &amp; Professional Expenses</b>		
	Legal & Professional Expenses	418,433	1,446,866
	Professional Charges	4,007,128	3,793,531
	Consultancy Charges	59,001	61,675
14	<b>Fees &amp; Taxes</b>		
	Member Subscription	1,968,778	1,045,527
	Rates & Taxes	391,491	373,464
15	Misc. Expenses	<b>2,550,613</b>	3,219,498
16	Audit Fee	698,275	628,000
17	Advertisement & Publicity	1,965,519	558,593
18	Selling and distribution expenses	19,520,868	13,287,929
19	Business Promotion Expenses	2,817,761	
20	Bad Debts Written Off		
21	Prior period Expenses		183,788
22	Foreign Exchange Fluctuation		787
	<b>DIRECT/PRODUCTIONS EXPENSES</b>		
23	Carriage Inward	1,907,631	2,056,113
24	Electricity Expenses	22,030,431	15,643,159
25	Job Work Charges	35,737,457	34,837,902
26	Repair & Machinery	7,091,085	3,753,802
27	Running & Maintenance- D.G.Set	6,703,467	9,368,950
28	Loading & Unloading Charges	13,994,863	13,477,369
29	Hardware & Maintenance		
30	Testing Charges, tickles etc	63,119	
31	Plating Charges		2,787,375
32	Quality Assurance		17,748
33	Welding and Welding Accessories		2,167
34	Welfare & Safety	339,388	205,684
	<b>Total</b>	<b>175,860,858</b>	<b>151,313,835</b>

**NOTE NO. 24**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART  
OF ACCOUNT AS ON 31ST MARCH, 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES****a) ACCOUNTING CONVENTION**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, as applicable to a going concern in accordance with generally accepted accounting principles in India, mandatory accounting standards prescribed in the Companies (Accounting Standard) Rules, 2006 issued by the Central Standards and in accordance with the relevant provisions of the Companies Act, 1956 to the extent applicable. The financial statements are presented in Indian Rupees rounded off to the nearest rupee.

**b) USE OF ESTIMATES**

The preparation of financial statements in confirmation with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Management believes that the estimates made in preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results and estimates are recognized in the period in which results are known/ materialized.

**c) INVENTORIES**

Inventories have been valued as under:

Raw materials	- At cost
Work in progress	- At raw material cost plus conversion cost
Finished good	- At lower of cost or estimated realizable value
Consumable stores & tools	- At cost
Scrap	- At estimated realizable value
Stationery	- At cost

The valuation of inventory has been made as per the requirement of AS-2 prescribed under the companies (accounting standards) rules, 2006.

**d) FIXED ASSETS**

- 1) Fixed assets are stated at their original cost of acquisition or construction and subsequent thereto less accumulated depreciation (except land)
- 2) Cost comprises of purchase price and all expenses directly attributable to the acquisition or construction of the asset.
- 3) Additions to fixed assets are normally accounted on cost basis (net of CENVAT and VAT credits) including the cost of installation, pre operative expenses, identifiable trial run expenses where incurred, eligible adjustment of accounts of foreign exchange fluctuation. pre operative and identifiable trail run expenses incurred by the company up to the date eligible assets are put to use for commercial production are allocated to them in the proportion to their cost.
- 4) The building under construction is transferred to building on the date of completion of construction as certified by the management.
- 5) The preoperative expenditure related upto starting up of the project not directly attributable to

any particular fixed assets are capitalized under the head preoperative expenditure on the assets of balance sheet in the previous year.

- 6) The company has made some inter unit transfer of fixed assets through invoices based on the prices decided by the management. These are shown under head inter unit transfer in the fixed assets schedule of balance sheet. The profit & loss arising on such transfers are not accounted for.

**e) DEPRECIATION**

1. Depreciation on fixed asset has been provided on Straight Line Method at the rates prescribed in schedule XIV to the Companies Act ,1956
2. Addition/Deletion to fixed asset during the year are being depreciated on pro-rata basis with respect to the period of use.
3. Industrial plots have not been depreciated.
4. Fixed assets costing not more than RS. 5000/- are depreciated at the rate of 100% on pro-rata basis with respect to the period of use.

**f) RECOGNITION OF INCOME**

The company has recognized all incomes on accrual basis on accrual basis of accounting as per the provisions of Accounting Standard 9 – " Revenue Recognition " prescribed under Companies ( Accounting Standards) Rules , 2006.

Sales are recognized on transfer of significant risk and rewards to the customer that usually takes place on dispatch of goods to the customer from the factory / storage area.

**g) EXPENSES**

The Company has recognized all expanses on accrual basis of accounting.

**h) FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currency are recorded in terms of the Accounting standard 11 ( Revised 2003) – " The effects of changes in Foreign Exchange Rates " prescribed under The Companies ( Accounting Standards ) Rules , 2006 at the exchange rates prevailing on the dates of the transaction . Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the period is recognized in the Profit & Loss Account except for the resultant net exchange gain or loss on account of imported fixed assets , which is adjusted in the carrying amount of the related fixed assets.

**I INVESTMENTS**

Long Term Investments are stated at cost as per the requirements of Accounting Standard – 13, "Accounting for Investments ", prescribed under the Companies 9 Accounting Standards) Rules, 2006. The Borrowing Cost as per Accounting Standard -16 to the qualifying assets has been capitalised. Provision for diminution in the value of long – term investment is made only if such decline is other than temporary in the opinion of the management.

**j) PROVISION FOR RETIREMENT BENEFITS**

1. Periodical contributions made to the concerned authorities towards Provident Fund Employees Welfare Fund and ESI are charged to Revenue on accrual basis.
2. Provision for gratuity and for leave salary in respect of unavailed leave of employees payable on retirement or otherwise outstanding as at the date of the balance sheet is made based on an actuarial valuation made by an independent actuary.

**k) BORROWING COSTS**

Borrowing cost that is attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**l) EARNING PER SHARE**

The basic earning per equity shares are computed by dividing the net profit or loss attributable to the equity share holders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for driving basic earning per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential, unless the results would be anti dilutive.

**m) TAXATION**

Income tax comprises current tax, deferred tax.

**Current Taxes**

Provision for Current tax is recognized in accordance with the provisions of the Income Tax Act , 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

**Deferred Tax**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets are realized in the future. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each Balance Sheet data.

**n) IMPAIRMENT OF ASSETS**

In accordance with the provisions of AS-28 "Impairment of Assets" prescribed under The Companies (Accounting Standards) Rules, 2006, the carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any impairment. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**o) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an economy benefit will arise, the asset and related income are recognized in the period in which change occurs.

**p) CASH FLOW STATEMENT**

Cash flows are reported using the indirect method as set out in the Accounting Standard 3 on cash flow statement prescribed under the Companies (Accounting Standards) Rules, 2006, whereby net profit before tax is adjusted for the effects of the transactions of non cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

**2. NOTES TO ACCOUNTS**

- a) In the opinion of the management current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of the business and some of the advances paid to creditors, account of sundry creditors and sundry debtors are subject to confirmation, due reconciliation and consequential adjustments arising there from, if any.
- b) An amount of Rs 8683387/ has been levied as Interest and Duty for not complying with Export Commitments about 6-8 years ago by Government of India. Since these did not relate to current year operations and pertained to period ranging 6-8 years before the current period, the same has not been debited to Profit and loss account and is reflected by way of adjustment in Reserve and Surplus in Note-2.
- c) Previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary to render them comparable with current year figures.

**c) RETIREMENT BENEFITS**

The disclosures as per the revised Accounting Standard – 15 on "Employee Benefits" prescribed under The Companies (Accounting Standards) Rules, 2006 are as follows:

**GRATUITY**

Particulars	Current Year	Previous Year
Present Value of obligation as at the beginning of the year	46,94,262	37,32,239
Current Service Cost	5,85,364	5,16,200
Interest Cost	4,22,484	2,98,579
Benefits Paid	(83,077)	(3,28,886)
Actuarial Cost / ( gain )	(1,12,119)	4,76,130
Present Value of obligation as at the end of the year	55,06,914	46,94,262

The fair value of plan assets is Rs. 5,22,350 (including interest) as at 31st March '2014 in the form of contribution to LIC Gratuity Fund.

**LEAVE SALARY**

Particulars	Current Year	Previous Year
Present Value of obligation as at the beginning of the year	8,59,571	6,21,358
Current Service Cost	1,58,911	2,01,919
Interest Cost	77,361	47,709
Benefits Paid	(8,52,453)	(18,425)
Actuarial loss / ( gain )	6,00,494	5,010
Present Value of obligation as at the end of the year	8,43,884	8,59,571

- ii Principal actuarial assumptions

**GRATUITY**

Particulars	Current Year	Previous Year
Discount Rate	9.00%	8.00%
Rate of Increase in compensation levels	5.50%	5.50%
Expected Rate of Return on Plan Assets	NA	N.A.
Average remaining working lives if employees ( years )	19.6	20.08

**LEAVE SALARY**

Particulars	Current Year	Previous Year
Discount Rate	9.00%	8.00%
Rate of Increase in compensation levels	5.50%	5.50%
Expected Rate of Return on Plan Assets	N.A.	N.A.
Average remaining working lives if employees ( years )	19.6	20.32

**(d) BORROWING COST**

Borrowing Cost Capitalized on Qualifying Assets: Rs.73.59 lacs (Previous Year: Rs. NIL)

**(e) SEGMENT REPORTING**

The Company is primarily engaged in one Business Segment (Manufacturing of auto springs and circlips) and mainly one Geographical Segment (India). The ratio of export sales to the total turnover is insignificant and hence does not qualify to be a reportable segment as envisaged in the Accounting Standard 17 – "Segment Reporting" prescribed under The Companies ( Accounting Standard ) Rules , 2006.

**(f) RELATED PARTY DISCLOSURES**

Related Party relationships / transactions ( excluding reimbursements ) Warranting disclosures under AS 18 – " Related Party Disclosures " Prescribed under The Companies ( Accounting Standards ) Rules , 2006 are as under:

Sr. No.	Name of Related Party	Nature of Relationship	Nature of Transaction	Volume of Transaction	Amount doubtful
1	Mr .Manoj Singhal	Key Management Personal	Director Remuneration Paid	160,00,000	NIL
			Office Rent Paid	9,00,000	NIL
			Medical reimbursement paid	1,65,652	NA
			Share Capital allotted	475,00,000	NIL
2	Mrs. Malti Syngle	Key management Personal	Director Remuneration Paid	42,00,000	NIL
			Medical Reimbursement	1,32,475	
3	Mr. T.K. Magazine	Wholetime Director	Remuneration	8,40,000	
4	MM Asan Auto Limited	Subsidiary	Reimbursement of Rent and other shared costs received	95,96,629	NIL
			Interest received	43,29,355	NIL
5	MNS Global Finance Pvt Ltd	Associate	Loan given	380,00,000	NIL
			Loan Received	10,00,000	NIL
			Interest paid	87,682	NIL
			Shares Alloted	25,00,000	NIL

Related party relations are identified by the company and relied upon by the auditors.

**(g) EARNING PER SHARE ( EPS )**

Pursuant to the Accounting Standard – 20 , “ Earning Per Share ” , issued by the Institute of Chartered Accountants of India , the value of EPS is calculated as below:

PARTICULARS	AMOUNT	AMOUNT (RS.)
	(RS.)	
	F.Y. 2013-14	F.Y. 2012-13
<b>BASIC EARNING PER SHARE</b>		
Net Profit attributable to equity shareholders	5,05,69,602	3,06,71,622
Weighted average number of equity shares	72,46,217	69,96,217
Basic Earning Per Share	6.98	4.38
<b>DILUTED EARNING PER SHARE</b>		
Net Profit attributable to equity shares	5,05,69,602	3,06,71,622
Weighted average number of equity shares ( including potential equity shares)	72,46,217	69,96,217
Diluted Earning Per Share	6.98	4.38

**(h) TAXATION****Income Tax**

The Company has one unit situated in the area specified under section 80 IC of the Income Tax Act in the state of Uttarakhand that is in Haridwar. The Company is taking the benefit of the deduction during the current financial year. However, as per section 80 IC deduction of RS 38129817 is available during the year. The Company has made a provision of RS. (10836539) towards the income tax liabilities of the company for the year under consideration.

**Wealth tax**

The Company has made a provision of wealth tax of RS (106299) previous year (75999)

**Deferred tax**

Pursuant to accounting standards for taxes on income AS-22 deferred tax liabilities at the end of the year is as follows :

	31/03/2014	31/03/2013
Deferred tax liability on Account of depreciation	3,24,77,717	3,27,09,179
Less: deferred tax asset on account Of provision for leave encashment, Gratuity & bonus	22,82,166	7,02,137
Net deferred tax liability	3,01,95,551	3,20,07,042

**(i) Sundry creditors**

The company has not received any intimation from suppliers regarding their status under the micro, small and medium enterprises development act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act have not been given.



**(j) Contingent Liabilities**

Contingent liabilities not provided for are as follows.

- Bank guarantee given for environment protection certificate NIL
- Letter of credit for import of raw material NIL
- The company has given a Corporate guarantee (in the year 2012-13) and provided collateral security in the form of its factory land & building situated at 192A, sector -IV, IMT manesar for working capital and term loan of RS 5.90 crores sanctioned by state bank of India to one of its subsidiary M/s M M ASAN AUTO Limited.

**(k) Additional information pursuant to the provisions of paragraphs 3 and 4 of part II of schedule vi to the companies act, 1956 is as under**

1) Auditors remuneration	31/03/2014	31/03/2013
As audit fees	6,73,488	6,28,000
	6,73,488	6,28,000

The audit fess includes service tax .

**(l) Details of Directors Remuneration**

Remuneration of directors (including managing directors) is as under:

Sl. No.	Name& Designation	Particulars	F.Y. 2013-2014	F.Y. 2012-2013
			Amount (Rs.)	Amount (Rs.)
1	Mr Manoj Singhal (Chairman & Managing Director)	Director Remuneration	160,00,000/-*	75,00,000/-*
2	Mrs. Malti Syngle (Director)	Director Remuneration	42,00,000/-*	36,00,000/-*
3	Mr. T.K. Magazine	Director Remuneration	8,40,000/-*	3,35,000/-*

\* Excluding provision for Gratuity and Leave Encashment, if any.

The total remuneration as stated above is within the maximum permissible limits prescribed under clause B, Part II of schedule XIII of the Companies Act, 1956

**(m) Foreign Exchange Earnings and Outgo**

Expenditure in Foreign Exchange	F.Y. 2013-2014	F.Y. 2012-2013
- CIF value of Raw Material	3,60,30,826	1,29,10,911/-
- Capital Goods	NIL	NIL
- Others	NIL	26,11,750
Foreign Exchange Earned (FOB Value of Export Sales)	20,05,779	59,370



(n) The other Provisions of Part II of schedule VI to the Companies Act, 1956 are not applicable to the Company.

SIGNATURE TO NOTE. 1 TO 24

In terms of our audit report  
Of even date attached  
For Navdeep Singh & Co.

For & On Behalf of the Board of Directors

Sd/-

Sd/-

Sd/-

Sd/-

(Navdeep Singh Choudhary)  
F.C.A.  
Partner  
M.No.034979  
F.R.No.08400N

(Manoj Singhal)  
Chairman & Managing  
Director

(Malti Syngle)  
Director

(Kabindra Jha)  
Company Secretary

Place : Manesar  
Date : 30.04.2014



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2014

PARTICULARS	AS ON 31/03/2014	AS ON 31/03/2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax	54,704,442	34,671,022
Add adjustments for :		
Depreciation	25,815,869	24,242,357
Profit / Loss on Sale of Fixed Assets	(25,032,170)	(435,526)
Interest Costs	38,125,494	26,168,840
Income Written Back	(23,710)	(369,414)
Profit on sale of Investments	(520,000)	
Operating Profit before Working Capital changes	38,365,483	49,606,258
	93,069,925	84,277,279
Adjustments for :		
Current Assets	(10,782,980)	(46,983,378)
Non Current Assets	25,038,529	3,163,600
Current Liabilities	(26,093,642)	124,730,206
Non Current Liabilities	51,381,626	42,494,080
Appropriations / Adjustments in Reserve	(8,683,387)	
Income Tax Adjustment	(3,077,907)	(7,497,511)
Increase/(Decrease) in Net Current Assets	27,782,239	115,906,997
Net Cash generated from operations (A)	120,852,164	200,184,277
<b>B. CASH FROM INVESTING ACTIVITES</b>		
Purchase of Fixed Assets	(46,585,837)	(26,632,887)
Sale of Fixed Assets	13,825,830	253,219
Increase in Investment	(110,868,619)	(132,122,966)
Net Cash Outflow from Investing Activities (B)	(143,628,626)	(158,502,634)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital (including application money & premium money)	40,960,000	9,040,000
Dividends	(3,623,109)	
Interest Paid During the year	(38,125,494)	(26,168,840)
Net Cash generated from financing activities (C)	(788,603)	(17,128,839)
<b>D. PROFIT ON SALE OF INVESTMENTS</b>		
Net Cash flow during the year (A+B+C)	(23,565,065)	24,552,803
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents as at beginning of year (Opening Balance)	25,597,942	1,045,139
Cash and Cash Equivalents as at the end of year (Closing Balance)	2,032,878	25,597,942
<b>TOTAL</b>	<b>(23,565,065)</b>	<b>24,552,803</b>

In terms of our audit report of even date attached  
for Navdeep Singh & Co  
Chartered Accountants  
F.R.No.08400N

Sd/-  
(Navdeep Singh Choudhary)  
Partner  
M.No.034979

for and on Behalf of Board of Directors

Sd/-  
(Manoj Singhal)  
Chairman & Managing Director

Sd/-  
(Malti Syngle)  
Director

Sd/-  
(Kabindra Jha)  
Company Secretary

Place : Manesar  
Date : 30/4/2014



**MM Auto Industries Ltd**

Regd. Office & Works :

Plot No. 192-A, Sector-4, IMT Manesar, Gurgaon,-122050 Haryana

**PROXY FORM**

No. of Shares	
Folio No.	

I/We .....of.....  
 ..... being member(s) of MM Auto Industries Ltd hereby appoint  
 .....of.....

Or failing him/her .....  
 Of.....

as my/ our proxy to attend and vote for me/us and on my/our behalf at the 29th Annual General Meeting of the members of MM Auto Industries Ltd to be held on Tuesday the 30<sup>th</sup> September, 2014 at its Registered Office at Plot No. 192-A, Sector-4, Gurgaon,-122050 Haryana at 2.30 P.M. and / or any adjournment thereof.

As witness my/our hand(s) this .....day of.....2014

.....  
 Signature of the Members

AFFIX  
 ONE RUPEE  
 REVENUE  
 STAMP

.....  
 Signature of the Proxy(ies)

Note: The proxy must be deposited at Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.



**MM Auto Industries Ltd**

Regd. Office & Works :

Plot No. 192-A, Sector-4, IMT Manesar, Gurgaon,-122050 Haryana

**ATTENDANCE SLIP**

No. of Shares	
Folio No.	

I hereby record my presence at the 29th Annual General Meeting of the Members of MM Auto Industries Ltd held on Tuesday the 30th September, 2014 at its Registered Office at Plot No. 192-A, Sector-4, Gurgaon,-122050 Haryana.

Full Name of Member(s).....  
.....Full Name of attending member/proxy .....

Signature of Member/Proxy  
(To be done at the Entry Point)

Note: Note: Please fill in block letters, except signature. Please bring your copy of the Annual Report in Meeting.