



# 30<sup>th</sup> ANNUAL REPORT 2014-15



**IF YOU BELIEVE IN IT,  
YOU CAN ACHIEVE IT.**

*TEAM SMIL*

**BOARD OF DIRECTORS**

KISHAN N PARIKH	Chairman
N. D. RELAN	Co-Chairman
AJAY RELAN	Managing Director & CEO
SHARDA RELAN	Director
ROHIT RELAN	Director
R. P. CHOWDHRY	Director
O. P. KHAITAN	Director
Prof. ASHOK KUMAR BHATTACHARYA	Director
BIRESWAR MITRA	Executive Director

**PRESIDENT (LEGAL) & CFO**

PRADEEP RASTOGI

**COMPANY SECRETARY**

NITIN VISHNOI

**AUDITORS**
**STATUTORY AUDITORS**

M/S. S. R. DINODIA & CO. LLP  
(Formerly known as M/s S. R. DINODIA & CO.)  
CHARTERED ACCOUNTANTS  
NEW DELHI

**SECRETARIAL AUDITORS**

M/S V.K. CHAUDHARY & CO.  
COMPANY SECRETARIES  
NOIDA

**COST AUDITORS**

M/S GURDEEP SINGH & ASSOCIATES  
COST ACCOUNTANTS  
NEW DELHI

**BANKERS**

YES BANK LIMITED  
HDFC BANK  
CITI BANK  
ICICI BANK  
STATE BANK OF INDIA  
PUNJAB NATIONAL BANK

**REGISTERED OFFICE**

D-188, OKHLA INDUSTRIAL AREA,  
PHASE - I, NEW DELHI - 110 020  
Website: [www.shardamotor.com](http://www.shardamotor.com)  
Email: [investorrelations@shardamotor.com](mailto:investorrelations@shardamotor.com)  
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676  
(CIN: L74899DL1986PLC023202)

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N. D. Relan

## Co-Chairman's Message

Dear Valued Stakeholders,

During the year 2014-15, company generated significant amounts of cash profit, strengthened its assets base and overall financial position and most importantly continued to return value to its stakeholders.

Your Company is committed to adhere the best practices and highest standards of Corporate Governance. It is always ensured that the practices being followed by the Company are in alignment with its philosophy towards corporate governance. The well-defined vision and values of the Company drives it towards meeting business objectives while ensuring ethical conduct with all stakeholders and in all systems and processes. Your Company proactively works towards strengthening relationship with all constituents of the system through corporate fair practices, transparency and accountability.

I express my deep appreciation for the contribution made by the Board of Directors, Senior Management and employees of SMIL family to the significant improvement in the operations of the Company and for the support received from all stakeholders including banks, customers, suppliers and other business partners.

I would like to thank all my valued shareholders for your continued faith in your Company over the years. We look forward to your continued support to Company's transformational journey, which will take us all to a brighter and more prosperous future. Wish you and your families all the very best for the year 2015 and beyond.

## Managing Director's Message



Ajay Relan

Dear Valued Stakeholders,

The year 2014 - 15 has been a very challenging year especially for the automotive industry. The new economic realities have significant implications for your Company.

Adverse pressures and headwinds like inflation, exchange rate, higher RM costs and interest rates showed signs of depleting revenues and earnings. This coupled with weak consumer sentiments and varying industry dynamics posed a further challenge to maintain a year-on year growth.

Growing working population and expanding middle class are expected to remain key demand drivers. The Auto Component Makers are investing in new capacities and newer programmes in order to get long term advantage and are stepping up their product development capabilities in order to have the best chance of capturing growth opportunity.

The rapidly globalizing world is opening new avenues for the transportation industry, generating the need for more efficient, safe and reliable modes of transportation, which is subsequently adding to the auto component industry's growth opportunities. Newer verticals and opportunities for auto component manufacturers are expected

to open up as the automobile market would shift towards electric, electronic and hybrid cars and newer technologies will have to be adopted via systematic research and development.

Your Company embarks on new and exciting journey with a foremost commitment to delight the customer with advanced products and to set new industry benchmarks. We shall develop new and cutting-edge products at a faster pace and aggressively expand our pan-India footprint.

The support of our valued customers, suppliers, Government of India, the state governments, local communities and key contractors has been a key enabler. I personally thank all for their help. On your behalf, I also take this opportunity to thank all employees of your Company for their continued hard work, solidarity, cooperation and support.

On behalf of the Board, I would like to thank all valued Shareholders for your support and for your trust in SMIL family which aims to go a long way to enable us resolutely move in our journey and keep the faith bestowed upon us by delivering enduring value for our shareholders.

**NOTICE**

**NOTICE** is hereby given that the Thirtieth (30th) Annual General Meeting of Sharda Motor Industries Limited will be held at Habitat World, India Habitat Centre, Lodhi Road, New Delhi-110003, India on Wednesday, the 26th Day of August 2015 at 12.30 p.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements for the year ended on 31st March' 2015 along with the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend for the financial year 2014-15.
3. To appoint a Director in place of Smt. Sharda Relan (holding DIN No.00252181) who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Shri R.P. Chowdhry (holding DIN No. 00337775) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s S. R. Dinodia & Co. LLP (formerly known as M/s S. R. Dinodia & Co.), Chartered Accountants (Registration No. 001478N / N500005), the retiring auditors of the Company, as Auditors of the Company, to hold office commencing from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors, to fix their remuneration for the period.

**SPECIAL BUSINESS:**

6. **TO RATIFY THE REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR 2015-16, AND IN THIS REGARD TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, and rules framed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other permissions as may be necessary, the members hereby ratify the remuneration of Rs. 2,00,000/- (Rupees Two Lakhs only) plus Service Tax as applicable and other out-of pocket expenses payable to M/s Gurdeep Singh & Associates, Cost Accountants (holding M No. 9967), appointed by the Board of Directors of the Company to conduct the audit of cost accounts of the Company for the financial year 2015-16."

**"RESOLVED FURTHER THAT** Shri N.D. Relan, Co- Chairman, Shri Ajay Relan, Managing Director, Shri Rohit Relan, Director and Shri Nitin Vishnoi, Company Secretary of the Company be and is hereby severally authorised to do all acts as may be necessary, proper or expedient to give effect to this Resolution."

7. **APPROVAL FOR ENTERING INTO RELATED PARTY TRANSACTIONS BY THE COMPANY, AND IN THIS REGARD TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or reenactment thereof for the time being in force) and as recommended and approved by the Audit Committee and Board of Directors in their respective meetings, the consent of the Company be and is hereby accorded for entering into any contract(s) or arrangement(s) with the related parties as defined under the Companies Act, 2013, rules made thereunder and the listing Agreement as per the details and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution"

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

By Order of the Board  
For **SHARDA MOTOR INDUSTRIES LTD.**

Place : New Delhi  
Dated : 26th May' 2015

**Nitin Vishnoi**  
Company Secretary  
M. No. F3632

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under clause 49 of the Listing Agreement pertaining to the Directors proposed to be appointed/ re - appointed vide Item Nos. 3 & 4 is also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) 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.**

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than **FORTY-EIGHT HOURS** before the commencement of meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

Members are requested to note that a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. The Register of Members and the Share Transfer books of the Company will remain closed from 20th August' 2015 to 26th August' 2015 (both days inclusive) for determining the entitlement of the shareholders to the final dividend for 2014-15, if declared at the AGM.
4. Subject to the provisions of the Companies Act, 2013, dividend, if declared by members at Annual General Meeting, will be paid to those members, whose names appears on the Company's Register of Members as on 19th August' 2015; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Alankit Assignments Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited.
6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Alankit Assignments Limited for assistance in this regard.
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Alankit Assignment Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
10. Members of the Company are informed that pursuant to the provisions of the Companies Act, 1956/2013 or any statutory reenactment thereof, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education & Protection Fund (“IEPF”) constituted by



the Central Government and thereafter, no claims shall lie against the Company. So, you are advised to claim the same from the Company immediately. The due dates of transfer of the following dividends to IEPF are as under:

Financial Year Ended	Date of Declaration of Dividend	Proposed Due date for transfer to IEP Fund
31.03.2008	04.08.2008	02.09.2015
31.03.2009	28.01.2009*	26.02.2016
31.03.2009	27.06.2009*	25.07.2016
31.03.2009	24.08.2009	22.09.2016
31.03.2010	28.01.2010*	26.02.2017
31.03.2010	18.08.2010	16.09.2017
31.03.2011	22.01.2011*	20.02.2018
31.03.2011	08.08.2011	06.09.2018
31.03.2012	24.01.2012*	22.02.2019
31.03.2012	12.09.2012	10.10.2019
31.03.2013	06.02.2013*	04.03.2020
31.03.2013	02.09.2013	30.09.2020
31.03.2014	29.01.2014*	27.02.2021
31.03.2014	03.09.2014	01.10.2021
31.03.2015	10.02.2015*	08.03.2022

\* Interim Dividend

11. The Notice of the AGM along with the Annual Report 2014 –15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Alankit Assignments Limited/Depositories.
13. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder and the provisions of the listing Agreement, Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice electronically. Remote E-voting is optional and not mandatory. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing Remote E-voting facility to all its Members.

The instructions for e-voting are as under:

**(A) In case of members receiving e-mail:**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company)
- (iv) Enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

	For Members holding shares in Demat and Physical Form
<b>PAN</b>	<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>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance Slip.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<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 (iii).</p>



- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members 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 EVSN for the relevant <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed 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) Note for Non-Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

**(B) In case of members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - (D) Other Instructions:
    - (i) The Remote e-voting period commences on Friday, 21st August' 2015 (2.00 p.m. IST) and ends on Tuesday, 25th August' 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Cut Off date i.e. Wednesday, 19th August' 2015 (the "Cut Off Date") may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
    - (ii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 19th August' 2015 may follow the same instructions as mentioned above for e-Voting.
14. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Wednesday, 19th August' 2015 (the "Cut Off Date") shall only be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date. A person who is not a member as on the Cut-Off Date should treat this notice for information purpose only.

15. At the venue of AGM, voting shall be done through ballot papers ("Polling Paper") and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
16. A Member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.
17. Shri Vineet K Chaudhary , Company Secretary in Practice (Membership No. FCS 5327), having consented to act as a scrutinizer, has been appointed as the Scrutinizer ("Scrutinizer") to scrutinize the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.
18. The scrutinizer shall, within three days after the conclusion of AGM, submit his final and consolidated report to the Chairman of the Company or any person authorised by him in writing, who shall countersign the same. The scrutinizer's decision on the validity of all kinds of voting will be final. The results of annual general meeting shall be declared by the Chairman or any person authorised by him in writing, after the annual general meeting within the prescribed time limits. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.shardamotor.com](http://www.shardamotor.com) and on the website of CDSL: [www.cdslindia.com](http://www.cdslindia.com) and will be communicated to the BSE Limited, where the shares of the Company are listed
19. The Securities and Exchange Board of India (SEBI) has mandated the 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 can submit their PAN details to the Company.
20. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during 11:00 A.M. to 1:00 P.M. on all working days up to the date of Annual General Meeting.
21. **INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:**

As required under Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be re-appointed are furnished below:

Particulars	Smt. Sharda Relan	Shri R.P. Chowdhry
<b>Date of Birth</b>	11th August 1935	16th May 1925
<b>Nationality</b>	Indian	Indian
<b>Date of first Appointment</b>	29th January 1986	29th August 1986
<b>Qualification</b>	Graduate	B. Tech
<b>Expertise in specific functional area</b>	Corporate Management	Business Management
<b>Directorships held in Other Public Companies in India</b>	Relan Industrial Finance Limited	None
<b>Chairman/ Member of Committee of the Board of other Public Companies in which they are director</b>	None	None
<b>Shareholding in Sharda Motor Industries Limited</b>	697520 Shares	600 Shares
<b>Inter-se Relationship between Directors</b>	Relative of Shri N.D. Relan, Shri Ajay Relan and Shri Rohit Relan	None

By Order of the Board  
For **SHARDA MOTOR INDUSTRIES LTD.**

Place : New Delhi  
Dated : 26th May 2015

**Nitin Vishnoi**  
Company Secretary  
M.No. F3632

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**
**Item No. 6**

The Board, in its meeting held on 26th May' 2015, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Gurdeep Singh & Associates, Cost Accountants (holding M. No. 9967) as the Cost Auditors to conduct the audit of cost accounts of the Company in terms of applicable law(s) for the financial year 2015-16 and remuneration of Rs. 2,00,000/- plus Services Tax as applicable and other out-of pocket expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2015-16 by way of an Ordinary Resolution is being sought from the members as set out at Item No.6 of the Notice.

None of Directors/ Key Managerial Personnel of the Company/ their relative are, in any way, concerned or interested, financially or otherwise, in resolution set out at item no 6.

The Board has recommended the above ordinary resolution for your approval.

**Item No. 7**

The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 exempts the prescribed transactions entered into by the Company with its related party (ies) in its ordinary course of business and done on arm's length basis, from the requirement of approval of the shareholders.

However, revised Clause 49 of the Listing Agreement ("Clause 49"), which became effective from 1st October, 2014, provides that material related party transaction(s), i.e. a transaction to be entered into which individually or together with previous transactions in a given financial year with a related party exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, requires the approval of the shareholders of the Company by way of a special resolution.

Keeping in the view the intent of the Companies Act, 2013 and Clause 49 and for the better Corporate Governance, the Audit Committee and Board of Directors' of the company have approved and recommended for seeking the approval of the shareholders for the contract(s)/arrangement(s)/transaction(s) your company has entered into with M/s Bharat Seats Limited being an associate company as per the provisions of Companies Act, 2013, for the Sale, purchase or supply of any goods, materials and tools and Job Charges etc. The said contract(s)/arrangement(s) are continuous (perpetual) in its nature and are entered into on actual basis in the ordinary course of business and on arm's length basis hence the same falls under the category of exempted Related Party Transactions under the Companies Act, 2013.

The Members of your Company also approved the said transaction(s) in their last meeting. Since the said transaction(s) is/are material in nature in terms of the revised limits under Clause 49, thus the Board of Directors recommended for the approval of the shareholders for the year and the subsequent year(s).

The key details regarding the transaction(s)/arrangement(s) and disclosures as required under Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014 are given below for perusal:

<b>DETAILS OF CONTRACT(S)/ ARRANGEMENT(S) (PER ANNUM) W.E.F 1ST APRIL 2015</b>				
<b>1.</b>	<b>Name of the Related Party</b>	Bharat Seats Limited		
<b>2.</b>	<b>Nature of relationship</b>	Associate Company		
<b>3.</b>	<b>Name of Directors or key managerial personnel who is related, if any:</b>	<b>Name of the directors</b>	<b>Designation in Company</b>	<b>Nature of interest and concern</b>
		Shri N.D. Relan	Co - Chairman	Director and member
		Shri Ajay Relan	Managing Director	Director and member
		Smt Sharda Relan	Director	Director and member
		Shri Rohit Relan	Director	Director and member
<b>4.</b>	<b>Nature, material terms, monetary value and particulars of the said contract or arrangement:</b>	<b>Nature of transaction</b>	<b>Material terms and particulars of transaction</b>	<b>Monetary Value</b>
		Sale, Purchase or supply of Goods and materials	perpetual in its nature and are entered into on actual basis in the ordinary course of business and on arm's length basis	Rs. 600 Crores per annum
		Selling or otherwise disposing of or buying property of any kind and Tools/Job Charges	on actual basis in the ordinary course of business and on arm's length basis	Rs. 150 Crores per annum

The extent of shareholding interest of every Promoter/Promoter Group, Director and of every other key Managerial Personnel of the Company who hold Two percent or more of the paid up share capital in Bharat Seats Limited as on 31st March' 2015 is given as under:

1. Shri N.D. Relan - 3.53%
2. Shri Rohit Relan-2.09%

All important information that is considered relevant or important for the Members to take an informed decision has been stated above.

In terms of Section 188 of the Companies Act, 2013, Shri N.D. Relan, Co-Chairman, Shri Ajay Relan, Managing Director, Smt. Sharda Relan and Shri Rohit Relan, Director of the Company and their relatives shall be deemed to be interested in this resolution.

The Board recommends the resolution for approval of the Members. Also, the Members are further informed that no related party shall be entitled to vote on this special resolution.

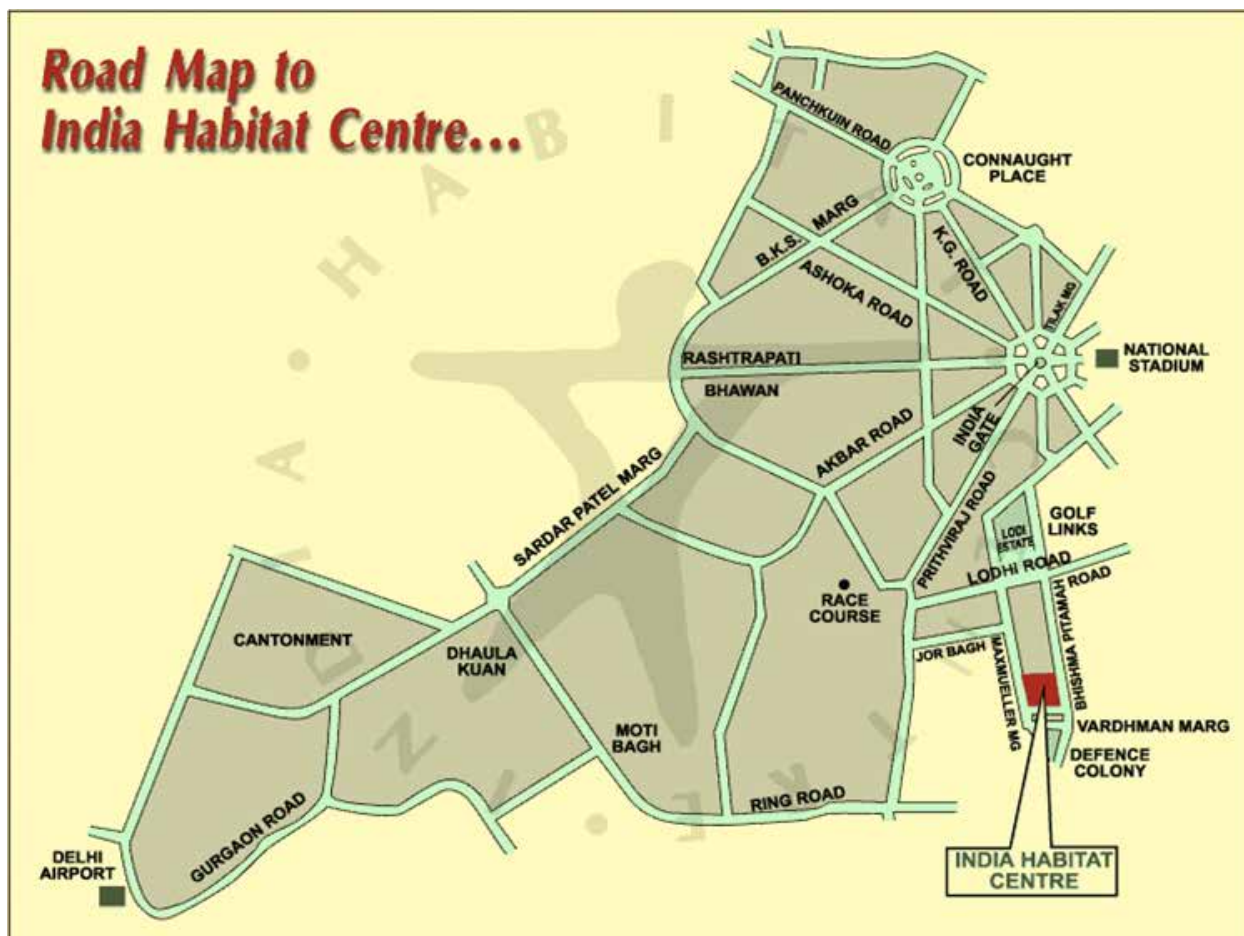
By Order of the Board

For **SHARDA MOTOR INDUSTRIES LTD.**

Place : New Delhi  
Dated : 26th May' 2015

**Nitin Vishnoi**  
Company Secretary  
M.No. F3632

## Road map to the venue of the AGM



## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Thirtieth (30<sup>th</sup>) Annual Report on the business and Operations of the Company together with the Audited Accounts for the year ended on 31st March 2015.

### FINANCIAL RESULTS:

(Rs. In Lacs)

	Year Ended 31st March 2015	Year Ended 31st March 2014
Revenue from operations	87454.21	81731.57
Other Income	980.36	1320.09
<b>Total Revenue</b>	<b>88434.57</b>	<b>83051.66</b>
Profit before Financial Charges & Depreciation	10183.57	8388.89
Less : Financial Costs	1539.72	1624.81
<b>Profit before Depreciation &amp; Taxes</b>	<b>8643.85</b>	<b>6764.08</b>
A. Depreciation	5200.49	4555.21
B. Exceptional items	-	-
Taxation		
- Current Tax	276.00	-
- Deferred Tax Charged/ (Released)	(445.38)	700.80
- Adjustments for earlier years	-	6.58
<b>Net Profit after Tax</b>	<b>3612.74</b>	<b>1501.49</b>
Add: Profit brought forward from Previous year	1758.54	1952.75
Profit available for appropriation	5371.28	3454.24
<b>APPROPRIATIONS</b>		
Proposed Dividend	297.32	297.32
Tax on Proposed Dividend	60.87	50.53
Interim Dividend	297.32	297.32
Tax on Interim Dividend	59.45	50.53
Transferred to General Reserves	3000.00	1000.00
Depreciation Adjustment as per Schedule II of Companies Act, 2013	137.95	-
<b>Balance carried forward to Balance Sheet</b>	<b>1518.37</b>	<b>1758.54</b>

### OPERATIONAL PERFORMANCE

During the year under review, the gross revenue from operations and other Income for the year was Rs. 88434.57 lacs as against Rs. 83051.66 lacs of previous year. The profit before taxation was Rs. 3443.36 lacs as against Rs. 2208.87 Lacs of previous year. The Accumulated Depreciation and Aggregate Fixed Assets Gross Block were Rs. 26691.04 lacs & Rs. 54599.36 lacs respectively as compared to Rs. 21532.96 lacs and Rs. 52107.94 lacs last year. During the year under review, financial charges had been reduced to Rs. 1539.72 lacs from Rs. 1624.81 lacs.

### DIVIDEND

Your Directors are pleased to recommend a total dividend of Rs. 10 per Equity Share i.e. @ 100% on the paid-up Equity Share Capital of the Company for the year ended 31st March 2015, this includes an interim dividend of Rs. 5 per Equity Share i.e. @50% on the Paid-up Equity Share Capital of the Company paid during the year under review.

Final dividend of Rs. 5 per Equity Share, if approved at the ensuing Annual General Meeting, shall be paid out of the profit of the Company to those share holders whose name appear on Register of Member on 19th August' 2015. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

The Cash outflow on account of dividend including interim dividend on equity share capital will be Rs. 714.96 Lacs including dividend tax of Rs. 120.32 Lacs.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The existing composition of the Company's Board is fully in conformity with the applicable provisions of the Companies Act 2013 and Listing Agreement. Your Company has Nine (9) Directors consisting of Three (3) Independent Directors, Three (3) Non-Executive Directors, Three (3) Whole time Executive Directors including Managing Director as on 31st March, 2015.

Shri Ajay Relan, Managing Director, Shri Pradeep Rastogi, President Legal & CFO and Shri Nitin Vishnoi, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and were already in office before the commencement of the Companies Act, 2013.

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a company shall have at least one Woman Director on its Board. Smt. Sharda Relan is the Woman Director on the Board who is the Non-Executive Director.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with stock exchange, Shri Kishan N. Parikh, Shri O. P. Khaitan and Prof. Ashok Kumar Bhattacharya were appointed as Independent Directors at the Annual General Meeting of the Company held on 3rd September 2014. The terms and conditions of appointment of independent directors are as per the applicable laws.

Further, all the Independent Directors have declared and affirmed their compliance with the independence criteria as prescribed in Section 149(6) of the Companies Act, 2013 and clause 49 of the listing agreement in respect of their position as an "Independent Director" of the Company.

During the year under review Shri Bireswar Mitra (DIN 06958002), was appointed as an additional director w.e.f. 7th August' 2014 and on 3rd September' 2014, also designed as an Executive Director of the Company. Further in November' 2014, members of the Company had accorded their consent through postal ballot and appointed him as a rotational Director and also an Executive Director.

Shri Udayan Banerjee (DIN No 00339754) resigned as whole-time director with effect from 1st October' 2014. The Board places on record its appreciation for the services rendered by Shri Udayan Banerjee during his tenure with the Company.

In terms of Section 152 of the Companies Act, 2013, Shri R P Chowdhry (DIN: 00337775) and Smt. Sharda Relan (DIN: 00252181), Directors of the Company are liable to retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

A brief profile of the above-named Directors seeking reappointment at the ensuing Annual General Meeting of the Company has been provided in the notice of the Annual General Meeting.

The Board met five (5) times during the financial year, the detailed information on which is given in the Report on Corporate Governance that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

#### **BOARD LEVEL PERFORMANCE EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance and that of its committees and individual directors pursuant to the provisions of the Companies Act, 2013 and the Clause 49 of the Listing Agreement.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, contribution towards development of the strategy etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board in consultation with Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, contribution at the meetings and otherwise, independent judgment, etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

#### **COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATION, ATTRIBUTES, INDEPENDENCE, ETC.**

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013, is appended as **Annexure I** to this Report.



**AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of the Companies Act, 2013 & Clause 49 of the Listing Agreement. The Audit Committee at present comprises one Non-Executive Director viz. Smt. Sharda Relan and two Independent Directors viz. Shri O.P. Khaitan (Committee's Chairman) and Shri Kishan N Parikh. All three members of Committee have adequate financial & accounting knowledge and background.

**SECRETARIAL AUDIT**

The Board has appointed M/s V. K. Chaudhary & Co. (Company Secretaries in practice holding CP. No 4548) to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**AUDITORS & AUDITORS' REPORT**

M/s. S.R. Dinodia & Co. LLP (Formerly Known as M/s S.R. Dinodia & Co.), Chartered Accountants (holding Registration No. 001478N/ N500005), Statutory Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting ("AGM") and being eligible, offers themselves for re-appointment, The Company has received the consent from the Auditors and confirmation to the effect that they are not disqualified to be appointed as the Auditors of the Company in terms of the provisions of the Companies Act 2013 ("Act") and rules made thereunder and that their appointment, if made, will be within the prescribed limits under the Act. Accordingly the Audit Committee and the Board of Directors has recommended the re-appointment of M/s. S.R. Dinodia & Co. LLP (Formerly Known as M/s S.R. Dinodia & Co.), Chartered Accountants as the Statutory Auditors of the Company to hold office from the ensuing AGM till the conclusion of the next AGM on remuneration to be decided by the Board or Committee thereof to the shareholders for approval.

Auditors' report is self-explanatory and therefore does not require further comments and explanation.

**COST AUDITORS**

The Company appointed M/s Gurdeep Singh & Associates as Cost Auditors for the financial year 2014-15, though it was not applicable for that year. Based on the recommendation of Audit Committee, M/s Gurdeep Singh & Associates( holding M No. 9967), Cost Accountants, 3238, Ranjit Nagar, Near Metro Station, Patel Nagar, New Delhi-110008, India, being eligible have been appointed by the Board as the Cost Auditors of the Company for the Financial Year 2015-16 subject to ratification of remuneration by the Members. The Company has received a letter from them to the effect that their reappointment would be within the limits prescribed under Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of section 141 of the Companies Act, 2013.

**CORPORATE SOCIAL RESPONSIBILITY**

A Corporate Social Responsibility Committee was constituted on 22nd May, 2014 comprising of Shri N.D. Relan as Chairman, Smt. Sharda Relan and Shri Kishan N Parikh, as members of the Committee. The Committee met once during the year on 10th February' 2015 to inter-alia finalize the Corporate Social Responsibility Policy ("CSR Policy").

The terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, attendance of the Directors are given separately in the attached Corporate Governance Report.

The Company recognizes that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfillment of its corporate responsibilities can enhance overall performance. In structuring its approach to the various aspects of Corporate Social Responsibility, the Company takes into account the guidelines and statements issued by various regulatory bodies.

As per the requirements of Section 135 of the Companies Act, 2013, the Company was required to spend at least two per cent of its average net profits of immediate three preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) Policy. Accordingly, the Company had to spend a minimum of Rs. 59.44 Lacs during the current financial year towards CSR activities. During the current year, the Company has adopted a strategy whereby certain long term programmes will be undertaken by the Company for the social and economic welfare. As the process of evaluating and identifying specific programme is in progress, no amount was spent on CSR during the year ended 31st March 2015. The annual report on CSR activities is appended as **Annexure III** to the Directors' report.

**EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure IV** to the Directors' report.



**PARTICULARS OF EMPLOYEES**

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure V**.

The statement containing name and particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as **Annexure VI**.

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

The particulars of Conservation of energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are annexed herewith marked as **Annexure VII** to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the financial statements provided in this Annual Report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of contracts or arrangements with related parties referred to in Section 188(1), in prescribed in Form AOC-2, is appended as **Annexure VIII**.

**CORPORATE GOVERNANCE**

We strive to attain high standards of corporate governance while interacting with all our stakeholders. The "Report on Corporate Governance" forms an integral part of this report and is set out as **Annexure IX** to this report. The certificate of M/s. S.R. Dinodia & Co. LLP (Formerly Known as M/s S.R. Dinodia & Co.), Chartered Accountants, the statutory auditors of the Company certifying compliance with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement is annexed with the report on corporate governance.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement is appended as **Annexure X** to this Report.

**VIGIL MECHANISM**

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. Vigil Mechanism is available on the Company's website [www.shardamotor.com](http://www.shardamotor.com).

**FIXED DEPOSITS**

The Company has not accepted any fixed deposits from the public during the year under review and has nil fixed deposits outstanding.

**INDUSTRIAL RELATIONS**

During the period under review, the Company maintained healthy, cordial and harmonious industrial relations at all levels.

Your Directors wish to place on record their appreciation of the co-operation, valuable contributions, enthusiasm and unstinting efforts made by the employees of the Company at all levels in the organization and they have ensured the accomplishment of excellent results and achievement by the Company.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

**THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE;**

During the year under review, no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

During the year under review, a Joint Venture company with Name and style of "Toyo Sharda (India) Private Limited" has been incorporated in terms of Joint Venture Agreement with Toyo Seat Co. Ltd., Japan.

**RISK ASSESSMENT AND RISK MINIMIZATION PROCEDURE**

In line with the new regulatory requirements, the Company has formally framed a Risk Assessment and Risk Minimization Procedure to identify and assess the key risk areas and monitor the same. The Board periodically reviews the risks and suggests steps to be taken to control the risks.

Details on the Company's risk management framework, risk evaluation, risk identification etc. is provided in the Management Discussion and Analysis Report forming part of this report.

**DETAILS OF NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL IN TERMS OF SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The Company has put in place a 'Policy on redressal of Sexual Harassment at Work Place' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his / her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel. We affirm that adequate access has been provided to any complainant who wished to register a complaint under the policy, but no complaint was registered during the year under review.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(3) (c) read with 134(5) of the Companies Act, 2013, it is hereby stated that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit and loss of the company for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENT**

Your Company has been able to operate efficiently because of the professionalism, creativity, integrity and continuous improvement in all functional areas to ensure efficient utilization of the Company's resources for sustainable and profitable growth. The Directors acknowledge their deep appreciation to employees at all levels for their total dedication, hard work, commitment and collective team work, which has enabled the Company to remain at the forefront of the industry despite increased competition and challenges.

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from its customers i.e. M/s Hyundai Motor India Ltd., M/s Mahindra & Mahindra Ltd., M/s. Tata Motors Ltd., M/s. Samsung Electronics India Ltd. and M/s. Bharat Seats Ltd.

Your Directors also extend their appreciation to Yes Bank Limited, HDFC Bank, Citi Bank, ICICI Bank Limited, State Bank of India, Punjab National Bank and various Departments of Central and State Government(s).

Your Directors also would like to thank all the shareholders for their continued support & Co-operation.

On behalf of the Board of Directors  
For **SHARDA MOTOR INDUSTRIES LTD.**

Place : New Delhi  
Dated : 26th May' 2015

**N. D. Relan**  
Co-Chairman  
(DIN: 00240280)

**Ajay Relan**  
Managing Director  
(DIN: 00257584)

## ANNEXURE I

**NOMINATION, REMUNERATION AND EVALUATION POLICY****1. INTRODUCTION**

In pursuance of the Company's policy to consider human resources as its invaluable assets and also in terms of provisions of the Companies Act, 2013 and the Listing Agreement as amended from time to time, this policy on nomination, remuneration and evaluation of Directors, Key Managerial Personnel (KMP) and Senior Management of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management of the company.

**2. DEFINITIONS**

- "Board" means Board of Directors of the Company
- "Directors" means Directors of the Company
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- "Company" means Sharda Motor Industries Limited
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 read with provisions of the Listing Agreement.
- "Key Managerial Personnel (KMP)" means -
  - i. Chief Executive Officer or Managing Director or the Manager
  - ii. WholeTime Director
  - iii. Chief Financial Officer
  - iv. Company Secretary
  - v. Such other officer as may be prescribed under the applicable statutory provisions / regulations
- "Senior Management" means Personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including functional heads.

Unless the context otherwise requires, words and expressions used in the policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

**3. OBJECTIVE AND PURPOSE OF THE POLICY**

The objective and purpose of this policy are:

- To formulate the criteria for determining Qualifications, Positive attributes and Independence of a Director and Key Managerial Personnel.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Managerial Personnel.
- To determine remuneration based on Company's size and financial position and trends and practices on remuneration prevailing in Auto Ancillary Industry.
- To provide Directors, Key Managerial Personnel and Senior Managers reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage

**4. APPLICABILITY**

The Policy is applicable to:

1. Directors (Executive and Non-Executive)
2. Key Managerial Personnel
3. Senior Management Personnel.

**ROLE AND RESPONSIBILITY**

- The Committees foremost priorities are to ensure that the Company has the best possible leadership and maintains a clear plan for both Executive and Non-Executive Director Succession. The Committee also review Senior Management succession. Its prime focus is, therefore, on the strength of the Board and the Senior Management Team and ensuring that appointments are made on merit, against objective criteria, selecting the best candidate for the post. The Committee advises the Board on the appointments, retirements and resignations from the Board and its Committees. It also advises the Board on similar changes to the Senior Management of the Company.
- When considering appointments to the Board and its Committees, the Nomination and Remuneration Committee will draw up a specification for the role taking into consideration the balance of skills, knowledge and experience of its existing members, the diversity of the Board and the Company's ongoing requirements. The Company believes that diversity underpins the successful operation on an effective Board and embraces diversity as a means of enhancing the business.

**POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT****APPOINTMENT:**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- The Candidate for a position at KMP or Senior Management level is met by assessment of the candidate on his / her functional and leadership capabilities and cultural fitment to the organization. It need to be ensured that the person possess adequate qualification, expertise, proper attitude and experience for the position he / she is considered for appointment.
- The Managing Director assesses the shortlisted candidates for the position of KMP or Senior Management Level.
- The selected candidate's details and the proposed compensation is shared with the Nomination and Remuneration Committee for their review and suggestions. The same is shared with the Board at the next Board Meeting. The appointment of KMP necessarily to be approved by Board on the recommendation of Nomination and Remuneration Committee.
- Managing Director will be selected by ascertaining the integrity, qualification, expertise, attitude and experience of persons for the appointment as Managing Director.

**TERM / TENURE :**

- The tenure for Directors shall be governed by the terms defined in the Companies Act, 2013.
- The tenure for other KMP and Senior Management Personnel will be governed by Company's HR Policy.

**EVALUATION:**

- The Managing Director performs the evaluation of performance of KMP and Senior Management Personnel at regular intervals. Mostly on the yearly basis based on objectives set.
- The performance evaluation of all Directors of the Company including Independent Directors shall be done by the Board, excluding the Director being evaluated, Basis of evaluations is as per the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and potential suggestions given in this regard.
- The Performance of evaluation of Non-Independent Directors, Chairman and Co-Chairman of the Company, and Board as whole shall be done by Independent Directors, in their separate meeting,

**REMOVAL :**

- Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of Director, subject to the provisions and compliance of the said Act, rules and regulations.
- For other KMP or Senior Management Personnel the removal will be governed by Company HR Policy and the subsequent approval of the Managing Director.

**RETIREMENT :**

- The Director, KMP or Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company.
- The Managing Director may retain KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, by given a simple intimation to the Board.

**POLICY RELATING TO THE REMUNERATION FOR THE WHOLE -TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL****1. Remuneration to Whole-time / Executive / Managing Director**

The Whole-time Director/Executive/ Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and/or Central Government, wherever required.

Increments to the existing Remuneration structure of the Whole-time Director/Executive/ Managing Director to be evaluated by the Committee and to be recommended to the Board which should be in accordance with the approval of the Shareholders.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/Executive/ Managing Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such Provisions, then with the previous approval of the Central Government.

**2. Remuneration to Non-executive / Independent Director**

The Non-executive/ Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

The profit-linked Commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.

**3. Remuneration to KMP and Senior Management Personnel**

The remuneration of KMP and Senior Management Personnel will be determined by the Managing Director in accordance with the HR Policy, which is based on the Final rating, employee potential and market benchmark compensation. The revised remuneration is shared with the Nomination and Remuneration Committee for review.

The final remuneration package of KMP will be reviewed by Committee and noted by Board.

**MODIFICATION**

The Nomination and Remuneration Committee or the Board of Directors of the Company can modify this Policy at any time, if required. Modification may be necessary, among other reasons, to maintain compliance with the regulations and / or accommodate organizational changes within the Company.

## ANNEXURE II

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,

The Members,

**Sharda Motor Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sharda Motor Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Sharda Motor Industries Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sharda Motor Industries Limited ("the company") for the financial year ended on 31st March, 2015 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;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not Applicable**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not Applicable**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008- **Not Applicable**
  - (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;
  - (h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998- **Not Applicable**
- (vi) As per information provided by the management, the laws applicable specifically to the company :
  - (a) Industrial (Development and Regulations) Act, 1951

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

- (i) Secretarial Standards as issued by The Institute of Company Secretaries of India-(**Not notified by the ICSI for the Financial year under Audit**).
- (ii) The Listing Agreements entered into by the company with Stock Exchanges.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc mentioned above.

**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 process in the company commensurate with the size and operations of the company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has the following specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. referred to above:

- (i) During the financial year under review, the company has entered into an joint venture agreement with Toyo Seat Company Limited, a foreign body corporate, incorporated in Japan, for the purpose of design, development, evaluation, manufacture and supply of four wheeler seat components including devices and high tensile strength frames for automobiles in India for domestic and export purpose and procurement and export of seat parts from India. In pursuance of the said joint venture agreement, a new company namely "Toyo Sharda India Private Limited" has been incorporated under the provisions of the Companies Act, 2013 in the NCT of Delhi.
- (ii) Equity shares of the company have been delisted from Delhi Stock Exchange with effect from 28th April, 2014.

**For V. K. Chaudhary & Co.**  
(Company Secretaries)

**Vineet K Chaudhary**

FCS No. 5327

C P No. 4548

**Place** : Noida

**Date** : May 26, 2015

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**'Annexure A'**

To,

The Members,

**Sharda Motor Industries Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc. Further, our verification to the compliance of the laws applicable specifically to the company are limited to test check on random basis without going into the detailed technical scrutiny.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For V. K. Chaudhary & Co.**  
(Company Secretaries)

Vineet K Chaudhary

**FCS No. 5327**

**C P No. 4548**

**Place** : Noida

**Date** : May 26, 2015



## ANNEXURE III

**ANNUAL REPORT ON CSR ACTIVITIES**

1. **A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

The Company has adopted a strategy whereby certain long term programmes would be undertaken by the Company for the social and economic welfare and also to undertake certain Long term Programmes in alignment with Schedule VII of the Act, particularly focusing on ensuring environmental sustainability.

Visit <http://www.shardamotor.com/investors.htm> for more details related to our CSR policy.

2. **The Composition of the CSR Committee:**

Members of the committee are:

- i. Shri N.D Relan (Chairman of the Committee)
- ii. Shri Kishan N. Parikh (Independent Director)
- iii. Smt. Sharda Relan (Non-Executive Director)

3. **Average net profit of the company for last three financial years**

Rs. 29.72 Crores

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

Rs. 59.44 Lacs

5. **Details of CSR spent during the financial year:**

As the Company is in the process of evaluating and identifying the specific programmes and is in dialogue with various organisations for implementing the CSR activities, hence, no amount was spent on CSR during the year ended 31st March 2015.

**Ajay Relan**  
Managing Director  
(DIN: 00257584)

**N.D. Relan**  
Co - Chairman  
(DIN: 00240280)

**ANNEXURE IV**
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2015  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN:-	L74899DL1986PLC023202
ii) Registration Date	29/01/1986
iii) Name of the Company	SHARDA MOTOR INDUSTRIES LIMITED
iv) Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v) Address of the Registered office and contact details	D-188, OKHLA INDUSTRIAL AREA, PHASE-I, NEW DELHI 110020 Phone : +91-11-47334100
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent if any	M/s. Alankit Assignments Ltd Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055. 011-42541234, 23541234, Fax: (011) 42541967

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	Motor vehicles parts such as suspension, silencer, exhaust pipes	29301	68%
2	Car seats frame and seats cover	29303	27%
3	Other		5%
	<b>Total</b>		<b>100%</b>

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sn.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Bharat Seats Limited Reg. off.: D-188, Okhla Industrial Area, Phase I New Delhi -110020	L34300DL1986PLC023540	ASSOCIATE	28.66%	2(6)
2	Relan Industrial Finance Limited Reg. off.: D-188, Okhla Industrial Area, Phase I New Delhi -110020	U65923DL1987PLC026603	ASSOCIATE	47.11%	2(6)
3	Toyota Boshoku Relan India Private Limited Reg. off.: D-188, Okhla Industrial Area, Phase I New Delhi -110020	U34106DL2014PTC266723	ASSOCIATE	50%	2(6)
4	Toyo Sharda India Private Limited Reg. off.: D-188, Okhla Industrial Area, Phase I New Delhi -110020	U34100DL2015PTC276049	ASSOCIATE	50%	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01.04.2014				NO. OF SHARES HELD AT THE END OF THE YEAR i.e 31.03.2015				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
<b>Shareholding of Promoter and Promoter Group</b>									
<b>Indian</b>									
Individuals/ Hindu Undivided Family	4458556	0	4458556	74.98	4458556	0	4458556	74.98	0
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
<b>Sub Total(A)(1)</b>	4458556	0	4458556	74.98	4458556	0	4458556	74.98	0
<b>Foreign</b>									
Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	0	0	0	0	0
Any Others	0	0	0	0	0	0	0	0	0
<b>Sub Total(A)(2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	4458556	0	4458556	74.98	4458556	0	4458556	74.98	0
<b>Public shareholding</b>									
<b>Institutions</b>									
Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
Financial Institutions / Banks	38228	0	38228	0.64	0	0	0	0	-0.64
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1)</b>	38228	0	38228	0.64	0	0	0	0	-0.64
<b>Non-institutions</b>									0
Bodies Corporate	226769	1850	228619	3.84	201525	1850	203375	3.42	-0.42
Individuals	0	0	0	0	0	0	0	0	0

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01.04.2014				NO. OF SHARES HELD AT THE END OF THE YEAR i.e 31.03.2015				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	261371	114116	375487	6.31	356556	99085	455641	7.66	1.35
Individual-ii Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	697530	142500	840030	14.13	684757	142500	827257	13.91	-0.22
Any Other									
Clearing Members	5211	0	5211	0.09	0	0	0	0	-0.09
NRI	195	0	195	0	1497	0	1497	0.03	0.03
<b>Sub-Total (B)(2)</b>	1191076	258466	1449542	24.38	1244335	243435	1487770	25.02	0.64
Total Public Shareholding (B)= (B) (1)+(B)(2)	1229304	258466	1487770	25.02	1244335	243435	1487770	25.02	0
<b>TOTAL GRAND (A)+(B)</b>	5687860	258466	5946326	100.00	5702891	243435	5946326	100	0

**(ii) Shareholding of Promoters**

S.N.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR			% CHANGE IN SHARE HOLDING DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	
1	AJAY RELAN	785378	13.21	0	785378	13.21	0	0
2	RITU RELAN	742520	12.49	0	742520	12.49	0	0
3	SHARDA RELAN	697520	11.73	0	697520	11.73	0	0
4	MALA RELAN	496260	8.35	0	496260	8.35	0	0
5	NARINDER DEV RELAN	450960	7.58	0	450960	7.58	0	0
6	ROHIT RELAN	428818	7.21	0	428818	7.21	0	0
7	AASHIM RELAN	291200	4.9	0	291200	4.9	0	0
8	RISHABH RELAN	148800	2.5	0	148800	2.5	0	0
9	PRANAV RELAN	126200	2.12	0	126200	2.12	0	0
10	AYUSH RELAN	104000	1.75	0	104000	1.75	0	0
11	ROHIT RELAN (HUF)	44400	0.75	0	44400	0.75	0	0
12	NARINDER DEV RELAN (HUF)	30000	0.5	0	30000	0.5	0	0
13	AJAY RELAN (HUF)	19200	0.32	0	19200	0.32	0	0
14	AASHITA RELAN	2700	0.05	0	2700	0.05	0	0
15	R P CHOWDHRY	600	0.01	0	600	0.01	0	0
16	INDIRA CHOWDHRY	90000	1.51	0	90000	1.51	0	0

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

S. N.		SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
	At the beginning of the year	4458556	74.98%	4458556	74.98%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change in shareholding during the year under review		No Change in shareholding during the year under review	
	At the End of the year	4458556	74.98%	4458556	74.98%

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

S. No.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR(01/04/2015)/END OF THE YEAR(31/03/2015)		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	Date	Increase / Decrease	Reason	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	Vinod Kantilal Shah	79620	1.339	1-Apr-14				
				19-Sep-15	10000	Sale	69620	1.171
		69620	1.171	31- Mar -15			69620	1.171
2.	Usha Channa	60000	1.009	1-Apr-14				
				23-May-14	200	Sale	59800	1.006
				31-May-14	300	Sale	59500	1.001
				4-Jul-14	300	Sale	59200	0.996
				11-Jul-14	500	Sale	58700	0.987
				25-Aug-14	500	Sale	58200	0.979
				3-Sep-14	500	Sale	57700	0.97
				5-Sep-14	500	Sale	57200	0.962
				12-Sep-14	2030	Sale	55170	0.928
				19-Sep-14	2022	Sale	53148	0.894
				30-Sep-14	1314	Sale	51834	0.872
				3-Oct-14	500	Sale	51334	0.863
				10-Oct-14	500	Sale	50834	0.855
				17-Oct-14	925	Sale	49909	0.839
				29-Oct-14	500	Sale	49409	0.831
				23-Jan-15	300	Sale	49109	0.826
				6-Feb-15	200	Sale	48909	0.823
				16-Feb-15	200	Sale	48709	0.819
				20-Feb-15	400	Sale	48309	0.812
		48309	0.812	31- Mar -15			48309	0.812
3	Mukesh Amritlal Motasha	75000	1.261	1-Apr-14				
				12-Sep-14	8122	Sale	66878	1.125
				29-Oct-14	6878	Sale	60000	1.009
				14-Nov-14	10000	Sale	50000	0.841
				5-Dec-14	10000	Sale	40000	0.673
		40000	0.673	31- Mar -15			40000	0.673

S. No.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR(01/04/2015)/END OF THE YEAR(31/03/2015)		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	Date	Increase / Decrease	Reason	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
4	Vijay Aggarwal	48110	0.809	1-Apr-14				
				11-Jul-14	48110	Sale	0	0
				25-Aug-14	13110	Purchase	13110	0.22
				29-Aug-14	13000	Sale	110	0.002
				30-Sep-14	35000	Purchase	35110	0.59
				24-Oct-14	35000	Sale	110	0.002
				5-Dec-14	4813	Purchase	4923	0.083
				12-Dec-14	14000	Purchase	18923	0.318
				19-Dec-14	17500	Sale	1423	0.024
				16-Feb-15	75500	Purchase	76923	1.294
				13-Mar-15	3000	Sale	73923	1.243
		73923	1.243	31- Mar -15			73923	1.243
5	Braham Arenja	60000	1.009	1-Apr-14	0	Nil Movement		
		60000	1.009	31- Mar -15			60000	1.009
6	Nilam Kumari Kapur	51000	0.858	1-Apr-14	0	Nil Movement		
		51000	0.858	31- Mar -15			51000	0.858
7	YES Bank Limited*	38228	0.643	1-Apr-14				
				4-Apr-14	36000	Sale	2228	0.037
				11-Apr-14	2228	Sale	0	0
		0	0	31- Mar -15			0	0
8	Vinod Kumar Aggarwal*	50200	0.844	1-Apr-14				
				11-Jul-14	50200	Sale	0	0
				25-Aug-14	200	Purchase	200	0.003
				17-Oct-14	200	Sale	0	0
		0	0	31- Mar -15				
9	Ankita Channa	50000	0.841	1-Apr-14	0	Nil Movement		
		50000	0.841	31- Mar -15			51000	0.858
10	Shri Parasram Holdings Pvt.Ltd.*	40553	0.682	1-Apr-14				
				4-Apr-14	1199	Sale	39354	0.662
				11-Apr-14	49	Sale	39305	0.661
				18-Apr-14	242	Sale	39063	0.657
				25-Apr-14	1495	Sale	37568	0.632
				2-May-14	210	Purchase	37778	0.635
				9-May-14	54	Sale	37724	0.634
				16-May-14	25	Sale	37699	0.634
				23-May-14	666	Sale	37033	0.623
				31-May-14	834	Sale	36199	0.609
				6-Jun-14	200	Sale	35999	0.605
				13-Jun-14	937	Purchase	36936	0.621
				20-Jun-14	74	Sale	36862	0.62
				30-Jun-14	189	Sale	36673	0.617

S. No.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR(01/04/2015)/END OF THE YEAR(31/03/2015)		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	Date	Increase / Decrease	Reason	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
				4-Jul-14	106	Sale	36567	0.615
				11-Jul-14	259	Sale	36308	0.611
				18-Jul-14	277	Sale	36031	0.606
				25-Jul-14	26	Sale	36005	0.605
				1-Aug-14	40	Sale	35965	0.605
				8-Aug-14	70	Sale	35895	0.604
				15-Aug-14	45	Sale	35850	0.603
				25-Aug-14	288	Sale	35562	0.598
				29-Aug-14	10	Purchase	35572	0.598
				3-Sep-14	2495	Purchase	38067	0.64
				5-Sep-14	1890	Sale	36177	0.608
				12-Sep-14	454	Sale	35723	0.601
				19-Sep-14	400	Sale	35323	0.594
				30-Sep-14	62	Sale	35261	0.593
				17-Oct-14	110	Sale	35151	0.591
				29-Oct-14	1030	Sale	34121	0.574
				14-Nov-14	810	Sale	33311	0.56
				21-Nov-14	326	Purchase	33637	0.566
				27-Nov-14	733	Sale	32904	0.553
				5-Dec-14	378	Sale	32526	0.547
				12-Dec-14	445	Purchase	32971	0.554
				19-Dec-14	214	Sale	32757	0.551
				31-Dec-14	42	Sale	32715	0.55
				9-Jan-15	98	Sale	32617	0.549
				16-Jan-15	181	Sale	32436	0.545
				6-Feb-15	7	Sale	32429	0.545
				20-Feb-15	142	Sale	32287	0.543
				31-Mar-15	7438	Sale	24849	0.418
		24849	0.418	31-Mar-15			24849	0.418
11	Vijay Kumar Aggarwal HUF <sup>#</sup>	0	0	1-Apr-14				
				17-Oct-14	50200	Purchase	50200	0.844
				14-Nov-14	50200	Sale	0	0
				16-Feb-15	50200	Purchase	50200	0.844
		50200	0.844	31-Mar-15			50200	0.844
12	Vinod Infotech Pvt. Ltd <sup>#</sup>	33083	0.556	1-Apr-14				
				20-Jun-14	33083	Sale	0	0
				25-Aug-14	3083	Purchase	3083	0.052
				3-Sep-14	3083	Sale	0	0
				27-Nov-14	20000	Purchase	20000	0.336
				19-Dec-14	20000	Sale	0	0
				9-Jan-15	9000	Purchase	9000	0.151
				6-Feb-15	1601	Purchase	10601	0.178



S. No.	FOR EACH OF THE TOP 10 SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR(01/04/2015)/END OF THE YEAR(31/03/2015)		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	Date	Increase / Decrease	Reason	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
				16-Feb-15	23083	Purchase	33684	0.566
				27-Mar-15	7000	Sale	26684	0.449
				31-Mar-15	7000	Purchase	33684	0.566
		33684	0.566	31-Mar-15			33684	0.566
13.	Vibgyor Investors and Developers Pvt. Ltd.*	0	0	1-Apr-14				
				21-Nov-14	3563	Purchase	3563	0.06
				27-Nov-14	6437	Purchase	10000	0.168
				5-Dec-14	7500	Purchase	17500	0.294
				19-Dec-14	2608	Purchase	20108	0.338
				31-Dec-14	127	Purchase	20235	0.34
				16-Jan-15	15411	Purchase	35646	0.599
				23-Jan-15	8888	Purchase	44534	0.749
				30-Jan-15	3841	Purchase	48375	0.814
				6-Feb-15	1625	Purchase	50000	0.841
		50000	0.841	31-Mar-15			50000	0.841

\*Ceased to be in the list of Top 10 shareholders as on 31<sup>st</sup> March 2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 1<sup>st</sup> April 2014.

\*Not in the list of Top 10 shareholders as on 1<sup>st</sup> April 2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31<sup>st</sup> March 2015.

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

SL.		SHAREHOLDING AT THE BEGINNING OF THE YEAR		CHANGE IN SHAREHOLDING NO. OF SHARE			SHAREHOLDING AT THE END OF THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	Date	Increase	Decrease	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Shri Kishan N Parikh	NIL	Nil	18-Sept-14	100	-	100	0.00
2	Shri N. D. Relan	450,960	7.58	-	-	-	450,960	7.58
3	Shri Ajay Relan	785,378	13.21	-	-	-	785,378	13.21
4	Smt. Sharda Relan	697520	11.73	-	-	-	697520	11.73
5	Shri Rohit Relan	428,818	7.21	-	-	-	428,818	7.21
6	Shri R. P. Chowdhry	600	0.01	-	-	-	600	0.01
7	Shri O. P. Khaitan	Nil	Nil	-	-	-	Nil	Nil
8	Shri Udayan Banerjee*	Nil	Nil	-	-	-	Nil	Nil
9	Prof. Ashok Kumar Bhattacharya	Nil	Nil	-	-	-	Nil	Nil
10	Shri B Mitra **	Nil	Nil	-	-	-	Nil	Nil
11	Shri Pradeep Rastogi	Nil	Nil	-	-	-	Nil	Nil
12	Shri Nitin Vishnoi	1000	0.02	-	-	-	1000	0.02

\*Resigned w.e.f. 1<sup>st</sup> October' 2014

\*\*Appointed w.e.f. 7<sup>th</sup> August'2014

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**Rs. in Lacs**

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i) Principal Amount	16230.13	6292.16	-	22522.29
ii) Interest due but not paid	70.53	-	-	70.53
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	16300.66	6292.16		22592.82
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	-	-	-	-
Net Change*	(9675.94)	1571.78	-	(8104.16)
Indebtedness at the end of the financial year				
i) Principal Amount	6564.56	7863.94	-	14428.50
ii) Interest due but not paid	60.16	-	-	60.16
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6624.72	7863.94	-	14488.66

*\*Net of addition / reduction*
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Financial Year 2014 - 15):**
**Rs. In lacs**

SL. NO.	PARTICULARS OF REMUNERATION	NAME OF MD/WTD/ MANAGER				TOTAL AMOUNT
		N.D. Relan*	Ajay Relan*	Udayan. Banerjee	B. Mitra	
1.	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 135.06	Rs. 128.06	Rs. 13.91	Rs. 9.06	Rs. 286.09
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs. 10.93	Rs. 13.63	Rs. 0.31	Rs. 0.10	Rs. 24.97
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	Rs. 145.99	Rs. 141.69	Rs. 14.22	Rs. 9.16	Rs. 311.06
	Ceiling as per the Act					Rs. 369.59 <sup>#</sup>

*\*In addition to above, arrear of Rs. 63.31 Lacs and Rs 108.57 lacs for financial year 2013-14 was paid to Shri N.D. Relan and Shri Ajay Relan respectively post Central Government approval*
*# Ceiling as per the Act Rs. 369.59 Lacs (being 10% of Net profits of the Company calculated as per section 198 of the Companies Act, 2013)*

**B. Remuneration to other directors:**
**Rs. In lacs**

SL. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS						TOTAL AMOUNT
		Rohit Relan	Sharda Relan	R.P. Chowdhry	O.P. Khaitan	Kishan N Parikh	AK Bhattacharya	
<b>1</b>	<b>Independent Directors</b>							
	Sitting Fees for attending board/committee meetings	-	-	-	Rs. 3.90	Rs. 3.20	Rs. 1.00	Rs. 8.10
	Commission	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total (1)	-	-	-	Rs. 3.90	Rs. 3.20	Rs. 1.00	Rs. 8.10
<b>2</b>	<b>Other Non-Executive Directors</b>							
	Sitting Fees for attending board/committee meetings	Rs. 0.80	Rs. 3.20	Rs. 3.00	-	-	-	Rs. 7.00
	Commission	Rs. 17.00	Rs. 17.00	-	-	-	-	Rs. 34.00
	Others	-	-	-	-	-	-	-
	Total (2)	Rs. 17.80	Rs. 20.20	Rs. 3.00	-	-	-	Rs. 41.00
	Total (B)=(1+2)	Rs. 17.80	Rs. 20.20	Rs. 3.00	Rs. 3.90	Rs. 3.20	Rs. 1.00	Rs. 49.10*
	<b>Total Managerial Remuneration</b>							Rs. 360.16#
	Overall Ceiling as per the Act	Rs. 36.96 lacs (being 1% of the net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

\* Includes Sitting Fees of Rs. 15.10 lacs and Commission of Rs. 34 lacs.

# Total Managerial Remuneration to Managing Director; whole-time Directors and Other Directors (being the total of A and B).

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**
**Rs. in lacs**

SL. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL		TOTAL AMOUNT
		COMPANY SECRETARY	CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 11.64	Rs. 18.53	Rs. 30.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs. 0.11	Rs. 0.11	Rs. 0.22
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	None	None	None
3.	Sweat Equity	None	None	None
4.	Commission - as % of profit - others, specify	None	None	None
5.	Others, please specify	None	None	None
	Total (A)	Rs. 11.75	Rs. 18.64	Rs. 30.39
	Ceiling as per the Act	N.A.	N.A.	N.A.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/ PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY RD/NCLT COURT	APPEALS MADE IF ANY (GIVE DETAILS)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					

**NIL**

**ANNEXURE V**
**INFORMATION 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:**

Requirements of Rule 5(1)	Details
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<p>(i) Shri Kishan N Parikh - NA</p> <p>(ii) Shri N. D. Relan-1654 : 29</p> <p>(iii) Shri Ajay Relan-1651 : 29</p> <p>(iv) Smt. Sharda Relan-170 :29</p> <p>(v) Shri Rohit Relan-170 : 29</p> <p>(vi) Shri R. P. Chowdhry - NA</p> <p>(vii) Shri O. P. Khaitan - NA</p> <p>(viii) Prof. A.K. Bhattacharya-NA</p> <p>(ix) *Shri Udayan Banerjee-144:15</p> <p>(x) **Shri B Mitra-124: 17</p> <p><i>*Resigned effective 1<sup>st</sup> October 2014</i></p> <p><i>**Appointed as Whole-time Director on 3<sup>rd</sup> September' 2014</i></p>
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<p><b>Directors :</b></p> <p>(i) Shri Kishan N Parikh - NA</p> <p>(ii) Shri N. D. Relan-8%</p> <p>(iii) Shri Ajay Relan-(17%)</p> <p>(iv) Smt. Sharda Relan-89%</p> <p>(v) Shri Rohit Relan-89%</p> <p>(vi) Shri R. P. Chowdhry - NA</p> <p>(vii) Shri O. P. Khaitan - NA</p> <p>(viii) Prof. A.K. Bhattacharya-NA</p> <p>(ix) *Shri Udayan Banerjee - NA</p> <p>(x) **Shri B Mitra-NA</p> <p><b>Key Managerial Personnel:</b></p> <p>(i) CFO-6%</p> <p>(ii) Company Secretary-6%</p> <p><u>Note :</u></p> <p>(i) <i>For the purpose of calculation of remuneration for financial year 2013-14 to Shri N.D. Relan and Shri Ajay Relan, the arrear paid post Central Government approval is included in the same;</i></p> <p><i>*Resigned effective October 1, 2014</i></p> <p><i>**Appointed as Whole-time Director on 3<sup>rd</sup> September' 2014</i></p>
(iii) the percentage increase in the median remuneration of employees in the financial year;	36 %
(iv) the number of permanent employees on the rolls of company;	1220 employees as on 31 <sup>st</sup> March 2015

(v) the explanation on the relationship between average increase in remuneration and company performance;	:	Average increase in remuneration of all employees during the year 2014-15 was 20% which is partly based on the results of the Company for the year ended 2013-14 and partly on the individual employee's performance. The Revenue from Operations of 2014-15 increased by 7%. The Profit before Tax increased by 55.89%.		
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	:	The increase in remuneration of the Chief Financial Officer, Company Secretary and Managing Director are below the sales growth of the Company.		
(vii) variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;		As on <b>31.03.2014</b>	As on <b>31.03.2015</b>	% <b>increase</b>
		Share price : BSE		

**General Note:**

For the purpose of above calculation, Company has taken the comparable employees who were in the employment during the year under review and the previous year 2013 - 14.

**ANNEXURE VI**
**Particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**
**A. Employed throughout the year ended 31st March' 2015 in receipt of Remuneration not less than Rs. 60,00,000/- per annum**

Name	Designation	Remuneration received (Rs. In Lacs)	Qualification & Experience (in no. of years)	Date of commencement of Employment	Age	Last Employment held
Shri N. D. Relan	Co-Chairman	165.48	B.Com 62 Yrs.	01.07.2003	86 Yrs.	Chairman, Bharat Seats Limited
Shri Ajay Relan	Managing Director	165.11	B.Com(Hons.), OPM programme from Harvard Business School, USA 31 Yrs.	01.09.1986	54 Yrs.	First Employment
Shri S. H. Lee	CEO-Plant	81.16	Mechanical Engineering 29 Yrs.	10.07.2010	51 Yrs.	Director Enterprise Department & Sales Part

**B. Employed for part of the year ended 31st March' 2015 in receipt of remuneration not less than Rs. 5,00,000/- per month.**

None

**Notes:-**

1. Remuneration includes Basic Salary, Allowances, Commission, Company's contribution to provident fund and monetary value of perquisites and excludes earned leave and gratuity unless paid/payable.
2. The nature of employment in all cases is contractual.
3. Shri N. D. Relan and Shri Ajay Relan are relative of Smt. Sharda Relan and Shri Rohit Relan, the Non-Executive Directors of the Company.
4. Shri N. D. Relan, Co-Chairman, is holding 19.82% Equity Shares of the Company in pursuance of the applicable provisions of the Companies Act, 2013.
5. Shri Ajay Relan, Managing Director, is holding 21.88% Equity Shares of the Company in pursuance of the applicable provisions of the Companies Act, 2013.
6. In addition to above, arrear of Rs. 63.31 Lacs and Rs 108.57 lacs for financial year 2013-14 was paid to Shri N.D. Relan and Shri Ajay Relan respectively post Central Government approval



**ANNEXURE VII**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 by your Company are explained as under:

**A. CONSERVATION OF ENERGY:**
**(i) The steps taken by the company for conservation of energy or impact on conservation of energy.**

Continual efforts were made by the Company for conservation of energy by according due attention to various initiatives including the following:

- Variable frequency drives (VFD) Installation for the Power presses;
- Internal timer provided in PLC to turn off Motor supply whenever motor runs 3 minutes idle;
- Launch of 1st edition of SMIL energy manual and conduction of in-house training and awareness in light of the said manual;
- Constant monitoring of energy consumption of all Manufacturing Units and corrective actions for optimum Utilization;
- Auto timer provided to turn off machine lights and fan, Blower power and Cooling tower pump motor at break hours;
- HPMV 250w lights replaced with 150w LED lights.

The above measures contributed to a reduction in energy consumption, quality improvement, and reduction in utility cost.

**(ii) The steps taken by the Company for utilizing alternate sources of energy:**

Your Company has explored the potential of using alternate sources of energy through various projects which may be considered for implementation in future and your Company would continue to explore alternative sources of energy in future including utilizing sunlight Transparent sheet added in factory roof and side walls to increase the lux level during day working

**(iii) The capital investment on energy conservation equipments:**

None

**B. TECHNOLOGICAL ABSORPTION:**
**(i) The efforts made towards technology absorption;**

- Executing joint development and partnership programs
- Managing extended enterprises
- Frugal engineering
- Vertical integration with customers, suppliers and plants.
- Involvement in the conceptual phase of any project with the customer research project team.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;**

- Lead emission and noise control technologies
- Product value addition
- First time right robust design
- Product line extension
- Improvement of core competency
- Competitive edge over competitors

**(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

No Technology has been imported during the last three years

**(iv) the expenditure incurred on Research and Development**

- Capital Expenditure-Rs. 79.63 Lacs
- Revenue Expenditure-Rs. 656.03 Lacs

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**The Foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.**

The information is reported under suitable heading in the 'Notes to Financial Statement' forming part of the Annual Report of the Company for the year 2014-15.

## ANNEXURE VIII

**PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014-AOC-2)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2015, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- (a) **Name(s) of the related party and nature of relationship:** Bharat Seats Limited, Associate Company.
- (b) **Nature of contracts/arrangements/transactions:** Sale, purchase or supply of Goods, materials and selling or otherwise disposing of or buying property of any kind and tools / job charges.
- (c) **Duration of the contracts / arrangements/transactions:** Transactions perpetual and ongoing in nature.
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Up to a maximum of Rs. 500 crores per annum for sale purchase or supply of goods, materials and Rs. 100 crores per annum for selling or otherwise disposing of or buying property of any kind and tools / job charges
- (e) **Date(s) of approval by the Board, if any:** Not applicable, since the transaction entered into in the ordinary course of business and on arm's length basis. However, Company, as a good corporate governance practice, ensured the Board Approval on 22nd May 2014.
- (f) **Amount paid as advances, if any:** Nil

**For and on behalf of the Board of Directors**

Place : New Delhi  
Date : 26th May 2015

**N.D. Relan**  
(Co - Chairman)  
(DIN: 00240280)

**Ajay Relan**  
(Managing Director)  
(DIN: 00257584)

## ANNEXURE IX

**REPORT ON CORPORATE GOVERNANCE**

Sharda Motor Industries Limited (SMIL) is committed to doing business in an efficient, responsible, honest and ethical manner. This commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interests of all our stakeholders, in particular shareholders, employees and our customers in a balanced fashion with long term benefits to all.

Your Directors present the Company's annual report on Corporate Governance for the year ended 31st March, 2015 as per the format prescribed by the SEBI and revised clause 49 of the Listing Agreement, as under:

**1. (i) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

SMIL philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices most of which were in place even before they were mandated. The Company has documented internal governance policies and put in place a formalized system of Corporate Governance which sets out the structure, processes and practices of governance within the Company.

The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

SMIL is respected for its professional management and good business practices in the Indian Corporate World. Integrity, emphasis on product quality and transparency in its dealings with all stakeholders are its core values.

**(ii) CODE OF CONDUCT**

The Board of Directors has laid down a Code of Conduct for all the Board members and senior management personnel. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, transparency and compliance of laws & regulations etc. The Code of Conduct is posted on the website of the Company.

All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by the Managing Director & CEO is attached and forms part of the Annual Report of the Company.

**2. BOARD OF DIRECTORS****(i) COMPOSITION OF THE BOARD**

The Board of Directors consists of professionals drawn from diverse fields. As on 31st March 2015, the Board of Directors of the Company consists of Nine Directors headed by its Non-Executive/ Independent Chairman, Shri Kishan N Parikh. The composition of the Board is in conformity of Clause 49 of the Listing Agreement, which stipulates that at least one third of the Board should comprise of Independent Directors if the Chairman is a Non - Executive Director. All Non-Executive Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

The Independent Directors do not have any material pecuniary relationship or transactions with the Company, its promoters or its management.

The Board met five (5) times during the financial year 2014-15, on 22nd May, 2014, 7th August, 2014, 3rd September, 2014, 10th November, 2014 and 10th February, 2015. The maximum gap between any two meetings did not exceed 120 days.

In addition to the above, a Separate Meeting of the Independent Directors was held on 10th February 2015 to discuss the agenda as prescribed under Clause 49 of the Listing Agreement and the Companies Act, 2013.

The composition and category of Directors, their attendance at the Board meetings held during the year ended 31st March, 2015 and at the last Annual General Meeting, number of other directorships and membership/chairmanships of committees are tabulated hereunder:

S. No	Name of the Director & Designation	Director identification Number	Category of Directorship	No. of Board Meeting held During 2014-15	No of Board Meetings attended during 2014-15	Attendance at Last AGM held on 3rd September, 2014	Directorship of other Public Companies#		Committees position held in other Public Company##		Shareholding\$ Ordinary share of Rs. 10/- each
							Chairman	Member^	Chairman	Member^	
1.	Shri Kishan N Parikh (Chairman)	00453209	Independent/ Non- Executive	5	4	YES	-	3	-	2	100
2.	Shri N. D. Relan (Co- Chairman)	00240280	Non Independent / Executive	5	5	YES	3	3	-	3	480,960
3.	Shri Ajay Relan (Managing Director)	00257584	Non Independent / Executive	5	3	YES	-	2	-	-	804,578
4.	Smt. Sharda Relan (Director)	00252181	Non Independent / Non-Executive	5	5	YES	-	1	-	-	697520
5.	Shri Rohit Relan (Director)	00257572	Non Independent/ Non-executive	5	2	YES	-	2	-	-	473,218
6.	Shri R. P. Chowdhry (Director)	00337775	Non Independent / Non-Executive	5	5	YES	-	-	-	-	600
7.	Shri O. P. Khaitan (Director)	00027798	Independent / Non- Executive	5	5	NO	-	7	3	5	Nil
8.	Shri Udayan Banerjee* (Executive Director)	00339754	Non Independent / Executive	5	1	NO	-	-	-	-	Nil
9.	Prof. Ashok Kumar Bhattacharya (Director)	02804551	Independent / Non- Executive	5	3	NO	-	-	-	-	Nil
10	Shri B Mitra ** (Executive Director)	06958002	Non Independent / Executive	5	1	NO	-	-	-	-	Nil

^ Membership includes Chairmanship

# Excludes Directorship in association, private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

##Represents Chairmanship/ Membership of Audit committee and Stakeholders' Relationship Committee only.

\*Resigned effective 1st October, 2014

\*\* Appointed effective 7th August, 2014

## (ii) Familiarization Programme

Details of familiarization programme is available on company website [www.shardamotor.com](http://www.shardamotor.com).

## 3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 & revised Clause 49 of the Listing Agreement. The Audit Committee at present comprises one Non-Executive Director and two Independent Directors of the Company. All the three members of Committee have adequate financial & accounting knowledge and background.

During the year ended 31st March, 2015, the Audit Committee meetings were held on 22nd May, 2014, 7th August, 2014, 10th November, 2014 and 10th February, 2015.

The Committee was reconstituted by the Board of Directors on 22nd May, 2014. The composition of the Committee and their attendance at the Committee meeting held during the year ended 31st March, 2015, are as under:

Name	Category	Position	Number of meetings attended
Shri Kishan N Parikh	Independent, Non-Executive	Member	3
Shri O P Khaitan	Independent, Non-Executive	Chairman	4
Smt. Sharda Relan *	Non-Executive	Member	3
Shri N.D. Relan **	Executive	Member	1

\* Appointed as a member w.e.f 22nd May, 2014

\*\* Ceased to be a member w.e.f 22nd May, 2014

The Audit Committee of the Company acts in accordance with the terms of reference as provided under applicable laws and as may be specified by Board from time to time. The role of the audit committee inter alia includes the following (i) oversight of the Company's financial reporting process and disclosure of financial information's (ii) recommendation to the Board of appointment, remuneration etc. of auditors (iii) review of financial statement and auditor's report (iv) discussion with statutory auditors of the Company about their findings, observations, suggestions, scope of audit etc. (v) review of internal control systems and accounting policies followed by the Company (vi) review of the financial statements with the management before their submission to the Board for approval etc. In addition to the above, audit committee carries out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

The Minutes of the Committee meetings were regularly placed before the Board. Chairman of the Committee was not present at the last Annual General Meeting held on 3rd September, 2014. Based on his authorisation, Shri Kishan N Parikh addressed the members of the Company on his behalf.

The Managing Director, CFO and Representative of Statutory Auditors are the permanent invitees to the Audit Committee meetings.

#### **4. NOMINATION AND REMUNERATION COMMITTEE :-**

Pursuant to Section 178 of the Companies Act, 2013, the Remuneration Committee of the Company was renamed by the Board of Directors on 22nd May, 2014 as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee met Three (3) times during the year 2014-15 on 22nd May, 2014, 7th August, 2014 and 3rd September, 2014. The necessary quorum was present for all the meetings.

The composition of the Committee and their attendance at the Committee meeting held during the year ended 31st March, 2015, are as under:

<b>Name</b>	<b>Category</b>	<b>Position</b>	<b>Number of meetings attended</b>
Shri Kishan N Parikh	Independent, Non-Executive	Member	3
Shri O P Khaitan	Independent, Non-Executive	Chairman	2
Shri R.P Chowdhry	Non-Executive	Member	3
Prof. A.K. Bhattacharya	Independent, Non-Executive	Member	1

The functioning and terms of reference of the Committee are as prescribed under the Listing Agreement with the Stock Exchange and the Companies Act, 2013.

#### **REMUNERATION POLICY**

The Board has formulated the Nomination, Remuneration and Evaluation Policy of Directors, Key Managerial Personnel (KMPs) and other employees in terms of the provisions of the Companies Act, 2013 and the Listing Agreement. The said Policy outlines the appointment criteria and qualifications, the term / tenure of the Directors on the Board of Company and the matters related to remuneration of the Directors.

The Company while deciding the remuneration package of the Managing Director / Whole Time Director(s) takes into consideration the following items:

- Employment scenario;
- Remuneration package of the industry;
- Remuneration package of the managerial talent of other industries;
- The remuneration, tenure of appointment / re-appointment of the Executive Directors including their salary, commission and perquisites are paid in accordance with the terms and conditions approved by the Board of Directors (on the basis of recommendations of the Nomination and Remuneration Committee) and the Shareholders of the Company in General Meeting and such other approvals as may be necessary under Companies Act, 2013
- The Non-Executive Directors are paid sitting fees and commission in certain cases in accordance with the provisions of Companies Act, 2013

Remuneration of Executive Directors largely consists of fixed component like Salary, allowances, perquisites and commission

being the variable component. The details of remuneration paid to Directors of the Company during 2014-15 are tabulated hereunder:

**EXECUTIVE DIRECTORS**
**Rs. in Lacs**

Name of Director	Salary	Commission	Perks	Total
Shri N. D. Relan	110.00	0	55.48	165.48
Shri Ajay Relan	104.00	0	61.11	165.11
Shri Udayan Banerjee	11.52	0	2.86	14.38
Shri B Mitra	9.05	0	3.37	12.42
<b>Total</b>	<b>234.57</b>	<b>0</b>	<b>122.82</b>	<b>357.39</b>

*Note : In addition to above, arrear of Rs. 63.31 Lacs and Rs 108.57 lacs for financial year 2013-14 was paid to Shri N.D. Relan and Shri Ajay Relan respectively post Central Government approval*

**NON-EXECUTIVE DIRECTORS**

Name of Director	Sitting fee	Commission	Total (Rs. In lacs)
Smt. Sharda Relan	3.20	17.00	20.20
Shri Rohit Relan	0.80	17.00	17.80
Shri R. P. Chowdhry	3.00	0.00	3.00
Shri O. P. Khaitan	3.90	0.00	3.90
Shri Kishan N Parikh	3.20	0.00	3.20
Prof. Ashok Kumar Bhattacharya	1.00	0.00	1.00
<b>TOTAL</b>	<b>15.10</b>	<b>34.00</b>	<b>49.10</b>

**Notes:**

- The appointment of Executive Directors of the Company is 5 years from the date of their appointment;
- At present the Company does not have any Employee Stock Option Scheme;
- Notice period is three calendar months or lesser notice in writing as may be agreed mutually.
- There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors;
- The Commission paid to non-executive directors is approved by the Board of Directors and Shareholders of the Company within the limits stipulated under the Law;
- There has been no pecuniary relationship or business transaction by the Company with any Independent Non-Executive Director, other than (i) the sitting fee for attending the Board/Committee meetings; (ii) the payment of dividend on the Equity Shares held by them in the Company.
- Details of the shares held by Non-Executive Directors as on 31st March, 2015:

S. No.	Name of Non-Executive Director	No. of Shares held
1	Shri Kishan N Parikh	100
2	Smt. Sharda Relan	697520
3	Shri Rohit Relan	473218
4	Shri R.P. Chowdhry	600
5	Shri O.P. Khaitan	Nil
6	Prof. Ashok Kumar Bhattacharya	Nil

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Pursuant to Section 178 of the Companies Act, 2013 and Listing Agreement with Stock Exchange, the Shareholders Grievance Committee was re-constituted and renamed by the Board of Directors on 22nd May, 2014 as "Stakeholders Relationship Committee".

The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met four times in 2014-15 on 22nd May, 2014, 7th August, 2014, 10th November, 2014 and 10th February, 2015. The necessary quorum was present for all the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 3rd September, 2014.

The terms of reference of Shareholders Grievance Committee inter-alia deals with various matters relating to:-

- Issue of Duplicate Share Certificates;
- Non-receipt of Annual Report, declared dividend, Share Certificates and pertaining to transfer / transmission of Shares etc.;
- Monitors expeditious redressal of investors grievances;
- Considers the request of the Shareholders for splitting/ consolidation/ renewal of Certificate as may be referred by the Share Transfer Committee.

The composition of the Committee and their attendance at the Committee meeting held during the year ended 31st March, 2015, are as under:

Name	Category	Position	Number of meetings attended
Shri Kishan N Parikh*	Independent, Non-Executive	Chairman	1
Shri O P Khaitan	Independent, Non-Executive	Member	4
Shri R.P. Chowdhry**	Non -Executive	Chairman	4
Smt. Sharda Relan#	Non - Executive	Member	3

\* Ceased to be a member w.e.f. 22nd May, 2014

\*\* Appointed as Chairman w.e.f. 22nd May, 2014

# Appointed as member w.e.f. 22nd May, 2014

Shri Nitin Vishnoi, Company Secretary is the Compliance Officer of the Company.

#### Shareholder/Investor Complaints:

Complaint pending as on 1st April 2014	:	NIL
During the period 1st April, 2014 to 31st March 2015	:	NIL
Complaint disposed off during the year ended 31st March 2015	:	NIL
Complaints unresolved to satisfaction of shareholders as on 31st March 2015	:	NIL
No of pending Complaints	:	Nil

The Company has acted upon all valid requests for issue of duplicate Share Certificates, share transfer / transmission received during the year under report and no such issue of duplicate Share Certificates, transfer / transmission is pending as on 31st March, 2015.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance of Section 135 of the Companies Act, 2013 and rules made thereunder, a Corporate Social Responsibility ("CSR") Committee was constituted by the Board of Directors of the Company in its meeting held on 22nd May, 2014 to formulate and monitor the CSR policy of the Company. The CSR Committee of your company consists of three directors namely Shri N. D. Relan as Chairman, Smt. Sharda Relan and Shri Kishan N Parikh, as member of the Committee.

The Company Secretary acts as the Secretary of the Committee.

During the year ending 31st March, 2015, one CSR Committee Meeting was held on 10th February' 2015.

The attendance at the Committee meeting held during the year ended 31st March, 2015, are as under:

Name	Category	Position	Number of meetings attended
Shri N.D. Relan	Executive	Chairman	1
Shri Kishan N. Parikh	Independent, Non-Executive	Member	1
Smt. Sharda Relan	Non - Executive	Member	1

**7. GENERAL BODY MEETINGS:-**
**A) ANNUAL GENERAL MEETINGS**

The details of last three Annual General Meetings are as follows:-

AGM NO.	Year	Venue	Date	Time	No. of Special Resolutions
29 <sup>th</sup>	2013-14	India Habitat Centre, New Delhi	03.09.2014	12:30 pm	Four
28 <sup>th</sup>	2012-13	India Habitat Centre, New Delhi	02.09.2013	12:30 pm	Three
27 <sup>th</sup>	2011-12	India Habitat Centre, New Delhi	12.09.2012	12:30 pm	Two

**B) Extraordinary General Meetings**

No Extraordinary General Meetings held during the year under review.

**C) RESOLUTIONS PASSED THROUGH POSTAL BALLOT**

In November, 2014 Company had obtained the approval of its' members pertaining to following subject matters:-

**Resolution No .1 Ordinary Resolution** - Appointment of Shri Bireswar Mitra as Director.

**Resolution No. 2 Special Resolution** - Appointment of Shri Bireswar Mitra as a whole-time Director.

**Resolution No. 3 to 6 Special Resolution(s)** under Section 196, 197 and other applicable provisions of Companies Act, 2013 read with Schedule V for payment of Minimum Remuneration Shri N D Relan, Whole Time Director designated as Co-Chairman, Shri Ajay Relan, Managing Director, Shri Udayan Banerjee and Shri Bireswar Mitra, Whole Time Director designated as Executive Director, with approval of Central Government.

**VOTING PATTERN AND PROCEDURE FOR POSTAL BALLOT**

- The Board of Directors of the Company had appointed Shri A.K. Goyal (holding M.No. 1565), as the scrutinizer for conducting the postal ballot voting process.
- The postal ballot process was carried out in a fair and transparent manner. The Postal ballot form had been kept under safe custody in sealed and temper proof ballot box before commencing the scrutiny of such postal ballot forms.
- All the postal ballot forms received up to the close of working hour on 17th November, 2014, the last date and time fixed by the Company for receipt of the forms, had been considered.
- The results of the postal ballot were announced on 18th November, 2014, at the Registered office of the Company as per the Scrutinizer's Reports as under:

S.No.	Particular	Resolution No. 1	Resolution No.2	Resolution No. 3	Resolution No. 4	Resolution No.5	Resolution No. 6
		To appoint Shri Bireswar Mitra as a Director	To appoint Shri Bireswar Mitra as Whole time Director	To pay minimum remuneration to Shri N.D. Relan Co-chairman of the Company with Approval of Central Government	To pay minimum remuneration to Shri Ajay Relan Managing Director of the Company with Approval of Central Government	To pay minimum remuneration to Shri Udayan Banerjee, Executive Director of Company with Approval of Central Government	To pay minimum remuneration to Shri Bireswar Mitra, Executive Director of the Company with Approval of Central Government
1 A	Physical Mode						
i)	Total Postal Ballot Forms Received	18	18	18	18	18	18
II)	Less Invalid Postal Ballot Forms	0	0	0	0	0	0



S.No.	Particular	Resolution No. 1	Resolution No.2	Resolution No. 3	Resolution No. 4	Resolution No.5	Resolution No. 6
		To appoint Shri Bireswar Mitra as a Director	To appoint Shri Bireswar Mitra as Whole time Director	To pay minimum remuneration to Shri N.D. Relan Co-chairman of the Company with Approval of Central Government	To pay minimum remuneration to Shri Ajay Relan Managing Director of the Company with Approval of Central Government	To pay minimum remuneration to Shri Udayan Banerjee, Executive Director of Company with Approval of Central Government	To pay minimum remuneration to Shri Bireswar Mitra, Executive Director of the Company with Approval of Central Government
B	Net valid Postal Ballot Forms in received in Physical [A(i) -A(ii) ]	18	18	18	18	18	18
C	Electronic Mode						
i)	Total Postal Ballot Forms Received through E-Voting	31	31	31	31	31	31
II)	Less Invalid Postal Ballot Forms through E-Voting	0	0	0	0	0	0
D	Net valid Postal Ballot Forms in received through E-Voting [C(i) -C(ii) ]	31	31	31	31	31	31
2	Net Postal Ballot form Received in Physical and Electronic Mode( B+D)	49	49	49	49	49	49
3	Total No. of Outstanding shares (1)	5946326	5946326	5946326	5946326	5946326	5946326
4	No. of Votes Polled on Outstanding shares (2)	4754264	4754264	4754264	4754264	4754264	4754264
5	% of Votes Polled on Outstanding shares 3= (2/1)*100	79.95	79.95	79.95	79.95	79.95	79.95
6	No. of Votes in favour (Physical and through E-voting) (4)	4754264	4754264	4754264	4754264	4754264	4754264
7	No. of Votes against (Physical and through E-voting) (5)	0	0	0	0	0	0
8	No Vote cast (Physical and through E-voting)	0	0	0	0	0	0
9	% of Votes in favour on votes polled 6=(4/2)*100	100	100	100	100	100	100
10	% of Votes against on votes polled 7=(5/2)*100	0	0	0	0	0	0

#### 8. DISCLOSURES:-

The Board has received disclosures from Key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. The particulars of transactions between the Company and its related parties as per the Accounting Standards 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are set out in relevant Notes to Financial Statement in the Annual Report. However, these transactions are not likely to have any conflict with the Company.

As per the Articles of Association of the Company and relevant provisions of the Companies Act 2013, Shri R.P. Chowdhry and Smt. Sharda Relan would retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

All the above re-appointments are subject to the approval of members of the Company in the ensuing Annual General Meeting. A brief resume of the above Directors recommended for re-appointments at the AGM are furnished in the Notice of the Annual General Meeting of the Company.

The information relating to the Directors being re-appointed at the ensuing Annual General Meeting, are furnished in the Notice of the Annual General Meeting of the Company.

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital markets.

In compliance of applicable provisions of the Companies Act, 2013, rules made thereunder and Clause 49 of the Listing agreement, the Board of Directors of your Company had approved the Vigil Mechanism/Whistle Blower Policy. The details of which are appearing on the website of the Company [www.shardamotor.com](http://www.shardamotor.com). It is also affirmed that no personnel have been denied access to the Audit Committee.

## 9. MEANS OF COMMUNICATION

The un-audited quarterly / half yearly financial results are announced within 45 days of the end of the quarter as stipulated under Clause 41 of the Listing Agreement. The aforesaid financial results are reviewed by the Audit Committee and taken on record by the Board of Directors and are communicated to the concerned Stock Exchange by way of soft copy.

The audited annual results are announced within Sixty Days from the end of the last quarter as stipulated under Clause 41 of the Listing Agreement. The said audited annual results are also reviewed by the Audit Committee and taken on record by the Board of Directors, are communicated to the concerned Stock Exchange by way of soft copy.

Such Results are normally published within 48 hours in two Newspapers one in English newspaper (Financial Express), and the other is in Hindi newspaper (Vir Arjun) and are displayed on the website of company ([www.shardamotor.com](http://www.shardamotor.com)).

The Company also informs by way of intimation to the Stock Exchange all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters.

The Company has not made any presentation to Institutional investors/Analysts during the year under review.

Detailed Section on Management Discussion and analysis is given by means of separate annexure and is attached to the Directors' Report.

## 10. GENERAL SHAREHOLDERS' INFORMATION:

(i) Annual General Meeting to be held:			
Day	:	Wednesday	
Date	:	26 <sup>th</sup> August' 2015	
Time	:	12.30 p.m.	
Venue	:	Habitat World, India Habitat Centre, Lodhi Road, New Delhi	

### (ii) Financial Year 1st April to 31st March

### (iii) Financial Calendar 1st April, 2015 to 31st March, 2016:

First Quarterly Results	:	On or before 14th day of August, 2015
Second Quarterly Results	:	On or before 14th day of November, 2015
Third Quarterly Results	:	On or before 14th day of February, 2016
Audited yearly Results for the Year ended 31st March, 2016	:	On or before 30th day of May, 2016

### (iv) Date of Book Closure: 20th August' 2015 to 26th August' 2015 (Both days inclusive)

(v) **Dividend Payment:** An interim dividend of Rs.5.00 per Equity Share i.e. 50% on the paid up equity capital of the Company for the financial year 2014-15, was paid in February, 2015. The Board has also recommended the final dividend @ Rs.5/- per Equity Share which will be paid within the prescribed statutory period, subject to declaration by the shareholders at the ensuing Annual General Meeting.

### (vi) Listing on Stock Exchanges:

The equity Shares of the Company continue to remain listed on the Bombay Stock Exchange(BSE) and the annual listing fees for the financial year 2015-16 has been paid.

In pursuance of SEBI (Delisting of Equity Shares) Regulations, 2009 Company made an application to the Delhi Stock Exchange, vide letter no DSE: 13-14/1202-01 dt.12th February, 2014, for delisting of its equity share form Delhi Stock Exchange. The Delhi Stock Exchange vide its letter dated 26th April, 2014, has informed that the Equity Shares of the Company have been delisted from the said Exchange with effect from 28th April, 2014.

The Company has a tripartite agreement with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Annual Custodian Fees for the financial year 2015-16 are pending due to non-receipt of bill from depositories.

**(vii) Stock Code**

Bombay Stock Exchange	535602 (Scrip Code)
ISINNo.	INE597I01010

**(viii) High, Low during each month of last financial year:**

Month	Open Price	High Price	Low Price	Close Price
Apr-14	274	312.35	263	290
May-14	292	382	276.10	368
Jun-14	370	389	333.30	361
Jul-14	345	419	345	383
Aug-14	389	417	370	385.50
Sep-14	395	619.80	372	578.55
Oct-14	575	740	542	640.90
Nov-14	613.30	1124	613.30	1059.10
Dec-14	1005	1140	800	847.90
Jan-15	820.10	1058.50	820.05	1032
Feb-15	1075.75	1150.25	950	1023.25
Mar-15	1040	1150	919.75	922.50

**(ix) Registrar & Transfer Agent.**

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s. Alankit Assignments Ltd. at the address given below:-

M/s. Alankit Assignments Ltd,  
Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055.  
Phone: 011-42541234, 23541234, Fax: (011) 42541967,

**(x) Share Transfer System and other related matters:**

The shares which are received in physical form for transfer / transmission / splitting etc. are immediately processed and dispatched within the stipulated time period. The Share Transfer Committee of the Company generally meets fortnightly or when required for approving the share transfers and for other related activities.

As in the past, the Company has send intimation to the shareholders whose dividend warrants have not been en-cashed. Shareholders are requested to revert to the Company if they have not received/en-cashed their dividend warrants. The details of dividends which are proposed to transfer to the Investor Education and Protection Fund in respect of unclaimed / unpaid dividend for the earlier years are provided in the Notes to the Notice calling the Annual General Meeting.

The shareholders are requested to ensure that any correspondence for change of address should be signed by the first Named shareholder. The Company is now also requesting for supporting documents such as proof of residence, proof of identification whenever a letter requesting for change of address is received. This is being done in the interest of the shareholders. Shareholders are requested to kindly co-operate and submit the necessary documents/evidence while sending the letters for change of address.

**(xi) Shareholding:**
**i) Distribution of Shareholding as on 31st March, 2015:**

No of Shares	SHARE HOLDER					SHARE HOLDING				
	Physical	NSDL	CDSL	Total	%	Physical	NSDL	CDSL	Total	%
1 to 100	121	501	375	997	68.901	935	7790	8373	17098	0.288
101 to 500	76	78	55	209	14.444	18300	19980	14563	52843	0.889
501 to 1000	27	28	19	74	5.114	21000	23315	15533	59848	1.006
1001 to 5000	31	36	23	90	6.22	60700	96191	46424	203315	3.419
5001 to 10000	0	16	8	24	1.659	0	113295	56569	169864	2.857
10001 to 20000	12	11	1	24	1.659	142500	167177	10063	319740	5.377
20001 to 30000	0	6	1	7	0.484	0	164672	26154	190826	3.209
30001 to 40000	0	1	1	2	0.138	0	40000	33684	73684	1.239
40001 to 50000	0	4	0	4	0.276	0	192709	0	192709	3.241
50001 to 100000	0	3	3	6	0.415	0	210620	184123	394743	6.638
100001 to 500000	0	7	0	7	0.484	0	2046238	0	2046238	34.412
500001 to ABOVE	0	3	0	3	0.207	0	2225418	0	2225418	37.425
<b>TOTAL</b>	<b>267</b>	<b>694</b>	<b>486</b>	<b>1447</b>	<b>100</b>	<b>243435</b>	<b>5307405</b>	<b>395486</b>	<b>5946326</b>	<b>100</b>

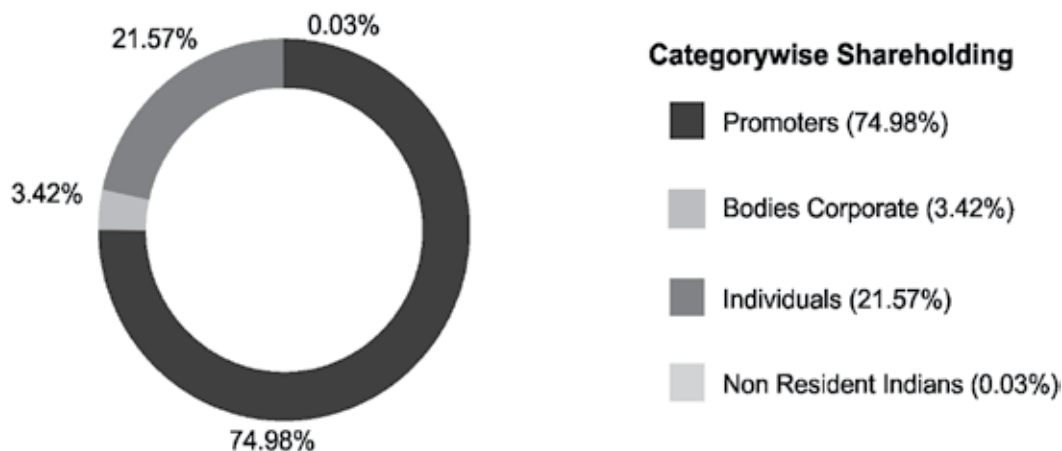
**ii) Shareholding Pattern as on 31st March 2015:**

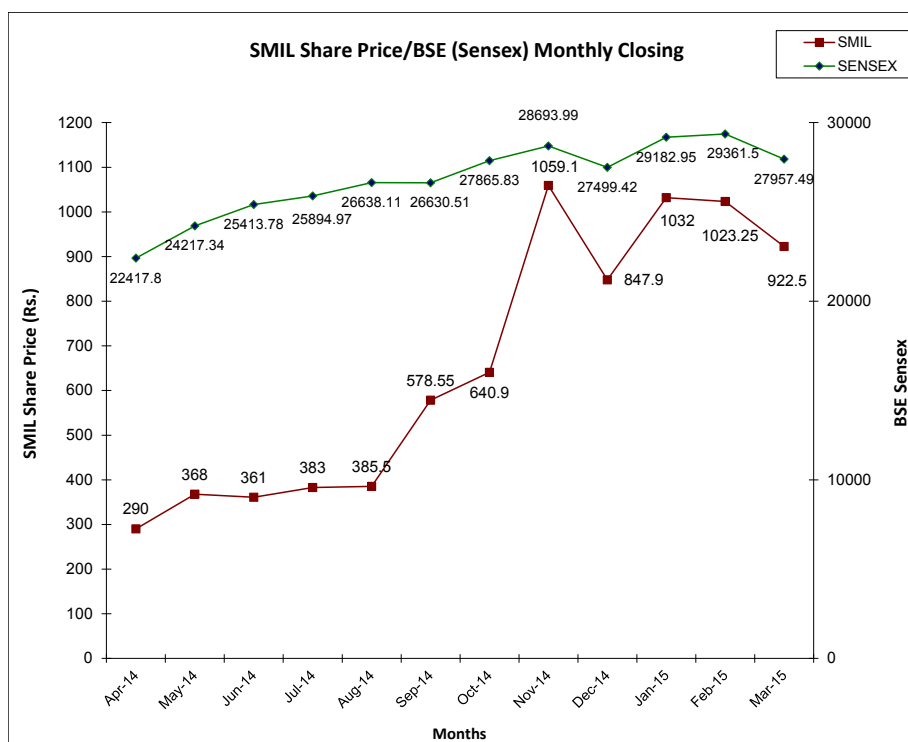
SHAREHOLDING PATTERN OF SHARDA MOTOR INDUSTRIES LIMITED AS ON MARCH 31, 2015								
Category Code	Category of Shareholders	Number of Shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a %age of (A+B)	As a %age of (A+B+C)	No. of shares	As a %age
(A)	Shareholding of Promoters and Promoter Group							
(1)	Indian							
-	Individuals / Hindu Undivided Family	16	4458556	4458556	74.98	74.98		-
-	Bodies Corporate	0	0	0	0	0.00		-
	Sub Total	16	4458556	4458556	74.98	74.98	-	-
(2)	Foreign	-	-	-	-	-	-	-
	Total Shareholding of Promoters and Promoter Group (A)	16	4458556	4458556	74.98	74.98	-	-
(B)	Public Shareholding							
(1)	Institutions							
	Financial Institutions / Banks	0	0	0	0	0	-	-
	Sub Total	0	0	0	0	0	-	-

SHAREHOLDING PATTERN OF SHARDA MOTOR INDUSTRIES LIMITED AS ON MARCH 31, 2015								
Category Code	Category of Shareholders	Number of Shareholders	Total numbers of shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a %age of (A+B)	As a %age of (A+B+C)	No. of shares	As a %age
(2)	Non-Institutions						-	-
	Bodies Corporate	57	203375	201525	3.42	3.42	-	-
	Individuals							
	Individual shareholders holding nominal share capital up to ` 1 lakh	1330	455641	356556	7.66	7.66	200	0.04
	Individual shareholders holding nominal share capital in excess of ` 1 lakh	33	827257	684757	13.91	13.91	-	-
	Any Other (Specify)						-	-
	Non Resident Indians	11	1497	1497	0.03	0.03	-	-
	<b>Sub Total</b>	<b>1431</b>	<b>1487770</b>	<b>1244335</b>	<b>25.02</b>	<b>25.02</b>	<b>200</b>	<b>0.01</b>
	<b>Total Public Shareholding (B)</b>	<b>1431</b>	<b>1487770</b>	<b>1244335</b>	<b>25.02</b>	<b>25.02</b>	<b>200</b>	<b>0.01</b>
	<b>Total (A) + (B)</b>	<b>1447</b>	<b>5946326</b>	<b>5702891</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>0</b>
(C)	Shares held by Custodian and against which Depository Receipts have been issued	-	-	-	-	-	-	-
	<b>Total (A) + (B) + (C)</b>	<b>1447</b>	<b>5946326</b>	<b>5702891</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>0</b>

**(xii) Dematerialization of shares and liquidity:**

As on 31st March, 2015, total 5946326 equity shares of face value of Rupees 10/- each are listed at BSE. As on 31st March, 2015, 95.91% of the Company's total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).



**(xiii) Performance of Sharda Motor Industries Ltd. ("SMIL") share prices in comparison to BSE sensex (monthly closing)**


**(xiv) Outstanding GDRs /ADRs / Warrants : Not Issued.**

**(xv) Plant Locations:**

- 1 58 KM, Delhi Jaipur Highway, Behind Terry Soft, Village & P. O. Binola-122413
- 2 Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune-411013
- 3 G-20, Sipcot Industrial Park, IrungattuKottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamilnadu-602 105
- 4 Mahindra World City, Changalpattu Taluk, Kancheepuram Dist. Industrial Park, Tamilnadu-603002
- 5 Plot No. 276,Udyog Vihar, Phase-VI, Gurgaon (Haryana)
- 6 Plot no. 366, Pace City -II, Udyog Vihar, Phase-IV, Gurgaon-122001
- 7 Plot No.4, Sector-31, Greater Noida, Distt. Gautam Budh Nagar, (U.P.)
- 8 Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar (Uttanchal)
- 9 Plot No.112, M.I.D.C., Satpur, Nasik-7, Maharashtra
- 10 Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik– 422007
- 11 C-506, Block \_C, Pioneer Industrial Park (Village Bhudka) Pathredi, Gurgaon (Haryana)
- 12 Plot No. C-8 Tata Motor, Vendor Park, North Kotpura, Sanand, Ahmedabad, Gujrat.
- 13 Plot No. 558, 559, Surajpur Bypass Industrial Area, Greater Noida, (U.P.)

**(xvi) Address for Investors Correspondence:**

Shri Jagdeep Kumar Singh  
M/s. Alankit Assignments Ltd.  
Registrar and Transfer agent, Alankit House,  
2E/21, Jhandewalan Extension,  
New Delhi-110055  
Tel : 011-42541234, 23541234  
Fax : 011-23552001 E-mail: [info@alankit.com](mailto:info@alankit.com)  
Communication may also be sent to the Company by e-mail at the following address: [investorrelations@shardamotor.com](mailto:investorrelations@shardamotor.com).

## DECLARATIONS

### Compliance with Code of Conduct

According to Clause 49 of the Listing Agreement, I, AJAY RELAN, Managing Director of Sharda Motor Industries Ltd, hereby declare that the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct of the Company during the year 2014-15.

For Sharda Motor Industries Ltd

Ajay Relan  
Managing Director  
DIN 00257584

## CEO/CFO Certification

According to Sub-Clause IX of Clause 49 of the Listing Agreement, we have certified to the Board that for the financial year ended 31st March, 2015, the Company has complied with the requirements of the said sub-clause.

PLACE : New Delhi

DATE : 26th May 2015

Pradeep Rastogi  
Chief Financial Officer  
M.No. 085838

Ajay Relan  
Managing Director  
DIN 00257584

**Auditor's Certificate on compliance of conditions of  
Corporate Governance as per clause 49 of the Listing  
Agreement with the Stock Exchange**

To the Members of

**M/s. SHARDA MOTOR INDUSTRIES LTD.**

We have examined the compliance of the conditions of Corporate Governance by Sharda Motor Industries Limited, for the year ended on 31st March 2015, as stipulated in clause 49 of the Listing agreement of the said Company with the stock exchange.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing agreement.

We further 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 : New Delhi

DATED : 25th May 2015

**For S. R. DINODIA & CO.LLP**

Chartered Accountants

Regn. No. 001478N/N500005

**Sandeep Dinodia**

Partner

M. No. 083689



## ANNEXURE X

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**A. INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK**

The Indian auto industry is one of the largest in the world and accounts for approximately 22 per cent of the country's manufacturing gross domestic product (GDP). An expanding middle class, a young population, and an increasing interest of the companies in exploring the markets have created a lot of opportunities for the growth of passengers' vehicle segment in the country.

India is also a substantial auto exporter, with solid export growth expectations for the near future. Various initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the world by 2020.

On the canvas of the Indian economy, automotive industry occupies a prominent place. Due to its deep forward and backward linkages with several key segments of the economy, automotive industry has a strong multiplier effect and is capable of being the driver of economic growth. A sound transportation system plays a pivotal role in the country's rapid economic and industrial development. The well-developed Indian automotive industry fulfils this catalytic role by producing a wide variety of vehicles viz passenger cars, light, medium and heavy commercial vehicles, multi-utility vehicles such as jeeps, scooters, motorcycles, mopeds, three wheelers, tractors etc. Automotive Industry comprises of automobile and auto component sectors and is one of the key drivers of the national economy as it provides large-scale employment, having a strong multiplier effect. Being one of the largest industries in India, this industry has been witnessing impressive growth during the last two decades. It has been able to restructure itself, absorb newer technology, align itself to the global developments and realize its potential. This has significantly increased automotive industry's contribution to overall industrial growth in the country.

The key to success in the industry is to improve labour productivity, labour flexibility, and capital efficiency. Having quality manpower, infrastructure improvements, and raw material availability also play a major role. Access to latest and most efficient technology and techniques will bring competitive advantage to the major players. Utilizing manufacturing plants to optimum level and understanding implications from the government policies are the essentials in the Automotive Industry of India.

**B. OPPORTUNITIES & THREATS****OPPORTUNITIES**

To match production with demand, many auto makers have started to invest heavily in various segments in the industry. The Government of India encourages foreign investment in the automobile sector and allows 100 per cent FDI under the automatic route and as result of that auto industry has attracted foreign direct investment (FDI).

The Government plans to promote eco-friendly cars in the country i.e. CNG based vehicle, hybrid vehicle, electric vehicle and also made mandatory of 5 per cent ethanol blending in petrol.

The government has formulated a Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country.

India's cost effective manufacturing base, due to economies of scale, coupled with comparative low R&D and sourcing costs are increasing affordability and attracting major OEMs. Launch of new models, especially fuel variants, should deliver growth for the industry.

India is emerging as a destination of choice in the world for design and manufacture of automobile and auto components and Global and Indian OEMs are focusing their efforts to develop innovative products and technologies.

**THREATS**

The auto component industry has been exposed to many threat of varying intensity. The hardening of interest rate, tightening money supply, volatility in the price of raw materials and other inputs, currency fluctuations, OEM's demand for price reduction, stiff competition because of the entry of Multinationals and their home country partnership, stringent in emission norms and Just In Time supplies are the major risks and challenges faced by the Companies. It is forcing Companies to plan operations effectively and produce quality components at lower costs. Besides above Indian Automobile Industry also has following challenges:

Regulatory Complexity  
Infrastructure Development  
Cultural Complexity  
R&D capability  
Quality understanding  
Root cause analysis and execution of necessary measures.

#### C. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

Segment-wise performance report is forming part of Annual Report for the year ended 31st March' 2015.

#### D. RISKS AND CONCERNS

The Company is exposed to external and internal risks associated with the business. The operations of the Company are directly dependent on the Automobile manufacturer's (OEMs) growth and business plans. General economic conditions impact the automotive industry, and in turn, the operations as well. The Company is exposed the Following risk as under:

**Business risks** are inherent in automobile industry due to economy's growth, risks of technological obsolescence due to stricter emission/safety norms and more intense competition. Other potential risks include disruption in production due to acts of God and man-made. All these risks are continuously addressed in the business plans-both long term as well as short term; risk mitigation strategies are drawn up and acted upon.

**Manufacturing risks:** The Company manufactures its products at multiple locations and its operations could be affected by disruption in its supply chain due to any natural calamities and work stoppages at its suppliers' end due to load shedding, labour problems, etc.

**Input Costs:** Input costs on account of commodities like steel, non-ferrous, precious metals, rubber and petroleum products have risen over the year and resulted in higher input costs. While the Company Continues to pursue cost reduction initiatives, rises in commodity prices and other costs resulting from inflationary pressures, could impact the Company's profitability to the extent that the same are not absorbed by the market through price increases and/or could have a negative impact on the demand. In addition, because of intense price competition and the high level of fixed costs, the Company may not be able to adequately address changes in commodity prices even if they are foreseeable.

**Assets risks** include threat to physical assets through accidents, natural calamities, obsolescence, etc. The Company has an internal system to assess these risks, define the limits of exposure for operation and take appropriate insurance cover.

**Financial risk:** Availability of credit at affordable interest, fluctuations in price of raw material in the domestic/international Market and price reduction by demanded by OEMs in are an area of great concern.

**Exchange Rates:** The Company's operations are subject to risk arising from fluctuations in exchange rates with reference to countries in which it operates. These risks primarily relate to fluctuations of Pound to US Dollar, Japanese Yen, and Euro, and fluctuations of Indian Rupee against Pound, US Dollar and Euro.

**Completion** Indian automobile Industries is expected to be one of the fastest Growing Market in the world many global player are significant expanding their presence in India. There is a concerned that this will result in an even increasing level of competition and intense pressure on the profit margin of all participants.

To counter these risks, A system has been formulated based on Balanced Score Card with various appropriate measures and accountabilities to identify, assess, prioritise and mitigate the risks. Reports generated from the system are monitored regularly to ensure that appropriate corrective actions are taken. The management of your Company is continuously analyzing and evaluating the various risks associated with the Company's business and has adopted risk management practices to minimize the adverse impact of these risks on the business and transfers risk to opportunity.

#### E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a comprehensive system of internal control to safeguard the Company's assets against any loss from unauthorized use and ensure proper authorization of financial transactions. The Company has internal control systems commensurate with the size and nature of the business and has experienced personnel positioned adequately in the organization to ensure internal control processes and compliances. The Company takes abundant care in designing; reviewing and monitoring regularly the working of inter control systems and their compliances for all important financial internal control processes.

The Audit findings are reported on quarterly basis to the Audit Committee of the Board headed by a Non-executive Independent Director. The Company has robust ERP systems based on Microsoft Dynamics platform. This ensures high degree of systems

based checks and controls. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness

**F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial statements have been prepared in accordance with the requirements of allocable Corporate Laws of India. The management of SMIL accepts the integrity and objectivity of these financial statements as well as the various estimates and judgments used therein.

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual Report. For financial highlights please refer heading 'Financial Results' of Directors Report.

**G. HUMAN RESOURCES AND DEVELOPMENT**

The human resources received commensurate attention during the year considering the growth of the organisation and the need arising therefrom. The relation at all levels were cordial throughout the year and the Company has initiated many programs on up-skilling / training its manpower. As an ongoing exercise, the Company has continued to look at, identify, create and execute seamlessly, initiatives which enhance productivity and efficiency. The Company continues to invest in people through various initiatives which enable the work force to meet the production requirements and challenges related thereto and to infuse positive enthusiasm towards the organization

The Company had 1220 permanent employees as on 31st March 2015. The industrial relations remained peaceful and cordial throughout the year

**H. STATUTORY COMPLIANCE**

On obtaining confirmation from the various units of the Company of having complied with all the statutory requirements, a Statutory Compliance Certificate on quarterly basis regarding compliance with the provisions of the various statutes duly signed by respective Departmental Heads and countersigned by Managing Director of the Company is given at each Audit Committee Meeting of the Board.

Further pursuant to revised Clause 49 of the Listing Agreement, the Company is regularly obtaining CEO declaration in respect of compliance of Code of Conduct adopted by the Company. A certificate from CEO and CFO is also adopted on yearly basis certifying the compliances as stipulated in Clause 49 of the Listing Agreement.

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

**Cautionary Statement**

Certain statements in the Management Discussion and Analysis describing your Company's views about the industry, expectations/predictions, objectives, etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in these statements. Your Company's operations may, inter-alia, be affected by the supply and demand situations, input prices and availability, changes in Government regulations, tax laws, government or court decisions and other factors such as industry relations and economic developments, etc. Investors should bear the above in mind.

## INDEPENDENT AUDITOR'S REPORT

To the Members of **M/s SHARDA MOTOR INDUSTRIES LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **M/S SHARDA MOTOR INDUSTRIES LIMITED ("the Company")**, which comprise the Balance Sheet as at **March 31, 2015**, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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, 2015**;
- (b) in the case of the Statement of Profit and Loss, 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Companies Act 2013, 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, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. In our opinion there are no financial transactions or matters that may have adverse effect on the functioning of the Company
- f. On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. On the basis of written representation received from the management of the Company, no litigation is pending against the Company's which would impact its financial position, except mentioned in point no. (vi) & (vii) of Note No. 29.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

**For S. R. DINODIA & CO. LLP**  
CHARTERED ACCOUNTANTS,  
REGN. NO. 001478N/N500005

PLACE : New Delhi  
DATED : 26th May, 2015

**(SANDEEP DINODIA)**  
PARTNER  
M.NO. 083689

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements" of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of major fixed assets has been conducted by the management at appropriate intervals. In our opinion, the program is reasonable having regard to the size of the Company and the nature of the fixed assets. No material discrepancies were noticed on such verification.
- ii) (a) On the basis of information and explanation provided by the management, Inventories have been physically verified by the management during the year except the inventories in transit and lying with the third parties. In our opinion, the frequency and the procedure of physical verification followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (b) In our opinion, frequency and the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventory. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii) (a) to (b) According to information and explanation given to us, the company has not granted loan to Companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 during the year. Therefore the provisions of the clause (iii) (a) to (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.
- v) In our opinion and according to the information and explanation given to us, since the company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable to it. There was no undisputed amount outstanding at the year end for a period more than six months from the date they become payable except custom duty of ₹6.59 lacs.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute, are as follows:

S. No.	Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amt. relates	Forum where the dispute is pending
1	U. P. Entry Tax Act	Entry Tax	0.90 lacs	F.Y.2001-02	Appellate Authority UP Trade Tax
2.	Service Tax under Finance Act, 1994	Service Tax	11.07 lacs	F.Y. 2008-09	CESTAT, Custom, Central Excise & Service Tax, Appellate Tribunal, Delhi
3.	Central Excise Act	CENVAT Credit	2.24 lacs	F.Y. 2007-08	Adjudicating Authority, Large Taxpayer Unit Delhi

S. No.	Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amt. relates	Forum where the dispute is pending
4.	Central Sales Tax Act	Sales Tax	10.74 lacs	F.Y. 2008-09	U.P. Sales Tax Authority
5.	Central Excise Act	CENVAT Credit	440 lacs	F.Y. 2008-09 & 2009-10	Hon'ble Supreme Court of India
6.	Income Tax Act	Income Tax	24.04 lacs	A.Y. 2004-05	ITAT, New Delhi
7.	Income Tax Act	Income Tax	39.26 lacs	A.Y. 2009-10	ITAT, New Delhi
8.	Income Tax Act	Income Tax	39.03 lacs	A.Y. 2011-12	ITAT, New Delhi
9.	Indian Contract Act	Security Services	4.42 lacs	F.Y.2014-15	District Court, Saket

- c) On the basis of information and explanations given to us by the management, no amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
- viii) The Company does not have accumulated losses as at 31st March, 2015 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) On the basis of information and explanation provided by the management, the Company has not made any default in the repayment of dues to the financial institutions and banks. During the year, the Company has not issued any debentures.
- x) The company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- xi) According to the information and explanations given to us, term loans taken by the Company have been applied for the purpose for which they were obtained.
- xii) 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, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

**For S. R. DINODIA & CO. LLP**  
 CHARTERED ACCOUNTANTS,  
 REGN. NO. 001478N/N500005

PLACE : New Delhi  
 DATED : 26th May, 2015

**Sandeep Dinodia**  
 Partner  
 M.NO. 083689

**BALANCE SHEET AS AT MARCH 31, 2015**

(Rupees in Lacs)

PARTICULARS	Note No.	As At March 31, 2015	As At March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	594.63	594.63
Reserves and Surplus	4	19,944.25	17,184.04
		<b>20,538.88</b>	<b>17,778.67</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	3,448.72	4,321.73
Deferred Tax Liabilities (Net)	6	1,623.20	2,134.87
Other Long Term Liabilities	7	153.15	213.48
Long-Term Provisions	8	498.49	383.04
		<b>5,723.56</b>	<b>7,053.12</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	9	9,919.33	17,800.03
Trade Payables	10	12,008.52	10,588.53
Other Current Liabilities	10	3,185.52	3,077.87
Short-Term Provisions	8	424.85	407.87
		<b>25,538.22</b>	<b>31,874.30</b>
<b>TOTAL</b>		<b>51,800.66</b>	<b>56,706.09</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	11		
Tangible Assets		25,378.62	27,363.97
Intangible Assets		1,774.91	2,497.66
Capital Work-in-Progress	11.1	754.79	713.35
Non-Current Investments	12	214.50	139.00
Long-Term Loans and Advances	13	2,835.12	3,003.52
Other Non-Current Assets	14	5.00	5.00
		<b>30,962.94</b>	<b>33,722.50</b>
<b>Current Assets</b>			
Inventories	15	8,669.61	7,104.45
Trade Receivables	14	9,933.25	10,513.68
Cash and Bank Balances	16	1,521.36	3,639.94
Short-Term Loans and Advances	13	712.55	1,724.57
Other Current Assets	14	0.95	0.95
		<b>20,837.72</b>	<b>22,983.59</b>
<b>TOTAL</b>		<b>51,800.66</b>	<b>56,706.09</b>
Summary of Significant Accounting Policies	2		
The accompanying notes are integral part of the financial statements			

As per our Audit Report of even date attached  
For **S.R. DINODIA & CO. LLP**,  
CHARTERED ACCOUNTANTS  
Regn No.: 01478N / N500005

For and on Behalf of  
the Board of Directors

**Sandeep Dinodia**  
Partner  
M.NO. 083689

**Pradeep Rastogi**  
President-Legal & CFO  
M.No. 085838

**N. D. Relan**  
Co-Chairman  
DIN 00240280

PLACE : New Delhi  
DATED : 26th May, 2015

**Nitin Vishnoi**  
Company Secretary  
M. No. F3632

**Ajay Relan**  
Managing Director  
DIN 00257584



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2015**

(Rupees in Lacs)

PARTICULARS	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Gross Income:</b>			
Gross Sale of Product & Services		104,076.26	96,868.13
Less : Excise Duty		16,622.05	15,136.56
Revenue From Operations	17	87,454.21	81,731.57
Other Income	18	980.36	1,320.09
<b>Total Revenue</b>		<b>88,434.57</b>	<b>83,051.66</b>
<b>Expenses:</b>			
Cost of Materials Consumed	19	56,397.01	53,112.67
Purchase of Traded Goods	20	6,226.09	5,914.60
Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade	21	(525.96)	(83.98)
Employee Benefits Expense	22	5,728.59	4,852.86
Finance Costs	23	1,539.72	1,624.81
Depreciation and Amortization Expense	11	5,200.49	4,555.21
Other Expenses	24	10,425.27	10,866.61
<b>Total Expenses</b>		<b>84,991.21</b>	<b>80,842.79</b>
<b>Profit Before Tax</b>		<b>3,443.36</b>	<b>2,208.87</b>
<b>Tax Expense:</b>			
Current Tax		707.00	448.00
Less: MAT Credit Entitlement		431.00	448.00
Net Current Tax Expense		276.00	-
Deferred Tax		(445.38)	700.80
Tax Adjustment for Earlier Years		-	6.58
<b>Profit (Loss) For the Year</b>		<b>3,612.74</b>	<b>1,501.49</b>
<b>Earnings per equity share:</b>	28		
Basic (In Rupees)		60.76	25.25
Diluted (In Rupees)		60.76	25.25
Summary of Significant Accounting Policies	2		

The accompanying notes are integral part of the financial statements

As per our Audit Report of even date attached  
For **S.R. DINODIA & CO. LLP**,  
CHARTERED ACCOUNTANTS  
Regn No.: 01478N / N500005

For and on Behalf of  
the Board of Directors

**Sandeep Dinodia**  
Partner  
M.NO. 083689

**Pradeep Rastogi**  
President-Legal & CFO  
M.No. 085838

**N. D. Relan**  
Co-Chairman  
DIN 00240280

PLACE : New Delhi  
DATED : 26th May, 2015

**Nitin Vishnoi**  
Company Secretary  
M. No. F3632

**Ajay Relan**  
Managing Director  
DIN 00257584

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

PARTICULARS	(Rupees in Lacs)	
	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation & Extraordinary items	3,443.36	2,208.87
Adjustment for:		
Depreciation written off	5,200.49	4,555.21
Interest Income	(137.12)	(165.14)
Finance Cost	1,539.72	1,355.85
Dividend Income	(72.00)	(72.00)
(Profit) / Loss on Sale of Fixed Assets (Net)	(501.57)	(384.87)
Amount written off (net)	(192.17)	(597.27)
Unrealised Gain/ Loss on Reinstatement	157.74	
Prior Period Income	(2.44)	
Provision for Wealth Tax	2.50	2.73
<b>Operating profit before Working Capital changes</b>	<b>9,438.51</b>	<b>6,903.38</b>
Adjustment for:		
Decrease / (Increase) in Trade Receivables	580.42	(409.60)
Decrease / (Increase) in Increase in Inventories	(1,565.16)	1,484.03
Decrease / (Increase) in Other Receivables	1,048.92	(872.84)
Increase / (Decrease) in Trade Payable	1,419.99	(2,994.67)
Increase / (Decrease) in Other Payables	(234.03)	754.26
Amount written off (Net)	192.17	597.27
Unrealised Gain/ Loss on Reinstatement	(157.74)	
Warranty Claims	93.77	25.07
<b>Cash Generated from operation</b>	<b>10,816.85</b>	<b>5,486.90</b>
Direct Taxes paid (Net)	(796.66)	(539.66)
<b>Net Cash flow from Operating Activities (A)</b>	<b>10,020.19</b>	<b>4,947.24</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	1,961.65	566.95
Purchase of Fixed Assets/Technical know-how	(3,545.91)	(8,338.03)
Changes in Investment	(75.50)	-
Interest Received	137.12	165.14
Dividend Income	72.00	72.00
Amount received/(paid) for FDR's	-	1,144.33
Creditors for Capital Expenditure	(343.70)	(55.50)
Net Cash used in Investing Activities (B)	<b>(1,794.34)</b>	<b>(6,445.11)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings (Net)	(8,100.09)	6,554.50
Finance Cost	(1,539.72)	(1,355.85)
Dividend paid (including Corporate Dividend Tax)	(704.61)	(693.39)
Net Cash used in Financing Activities (C)	<b>(10,344.42)</b>	<b>4,505.26</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(2,118.58)</b>	<b>3,007.38</b>
<b>CASH &amp; CASH EQUIVALENTS-OPENING BALANCES</b>	<b>3,639.94</b>	<b>632.56</b>
<b>CASH &amp; CASH EQUIVALENTS-CLOSING BALANCES</b>	<b>1,521.36</b>	<b>3,639.94</b>
Cash & Cash Equivalents include :		
<b>Cash in hand</b>	<b>0.71</b>	<b>0.58</b>
Balances with Scheduled Banks		
- In Current Account	1,514.13	2,399.44
- In Deposit Account	6.52	1,239.92
	<b>1,521.36</b>	<b>3,639.94</b>

Note :

- Figures in brackets represent outflows
- Cash and Cash equivalents is Cash & Bank balances as per Balance Sheet.
- Previous year figures have been regrouped/ restated wherever necessary.

As per our Audit Report of even date attached

For **S.R. DINODIA & CO. LLP**,  
CHARTERED ACCOUNTANTS  
Regn No.: 01478N / N500005

For and on Behalf of  
the Board of Directors

**Sandeep Dinodia**  
Partner  
M.NO. 083689

**Pradeep Rastogi**  
President-Legal & CFO  
M.No. 085838

**N. D. Relan**  
Co-Chairman  
DIN 00240280

PLACE : New Delhi  
DATED : 26th May, 2015

**Nitin Vishnoi**  
Company Secretary  
M. No. F3632

**Ajay Relan**  
Managing Director  
DIN 00257584

## Notes to financial statement for the year ended on March 31, 2015

### NOTE 1: CORPORATE INFORMATION

Sharda Motor Industries Limited ("the Company") is primarily engaged in the manufacturing and assembly of Auto Components and White Goods Components. The company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got a 'State of Art' manufacturing facilities across thirteen locations in seven states of India. Their production range includes Exhaust Systems, Catalytic Convertors, Suspension Systems, Sheet Metal Components and Plastic parts for the Automotive and White Goods Industries

### NOTE 2: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP), and mandatory Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with rule 7 of companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs. The company has complied in all material respects with the Accounting Standards notified under the Companies Act 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### NOTE 2.1: SIGNIFICANT ACCOUNTING POLICIES

#### (a) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires making of estimates and assumptions that affect the reported amounts of assets & liabilities and disclosure of contingent assets & liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

#### (b) Current-non-current classification

All assets and liabilities has been classified as current and non-current as under :

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date;

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification"

Current Assets/ liabilities include the current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current.

##### Operating cycle

Operating Cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

#### (c) Fixed Assets

##### i) Tangible Assets

The cost of an item of fixed asset comprises its purchase price, inclusive of incidental expenses related to acquisition, less depreciation and any directly or indirectly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statements of profit and loss for the period during which such expenses are incurred.

**ii) Intangible Assets**

Intangible assets representing computer software ( which does not an integral part of related hardware ), Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognised initially at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

**(d) (i) Depreciation on tangible fixed assets**

Depreciation is provided using the written down value method as per the useful life specified in Part "C" of Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the assets as specified in the said Schedule. Further as per Note No.7 of Part "C" of the said Schedule the carrying amount of the assets as at April 1, 2014 has been depreciated as follow:

- Carrying value of asset has been depreciated over the remaining useful life of assets and recognised in the Statement of Profit & Loss.
- In case where the remaining useful life of an asset is nil the carrying amount of the assets after retaining the residual value has been recognised in the opening balance of retained earnings.
- However some assets has been depreciated over useful life different from life specified in Schedule II of Companies Act, 2013 based on the technical estimates as details given below

<b>Name of Assets</b>	<b>Estimated Useful Life ( Years )</b>	<b>Useful Life as per Companies Act, 2013 ( Years )</b>
Plant & Machinery	20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified

**(d) (ii) Amortisation of Intangible Assets**

Intangible assets other than Technical Know-How and Guidance Fee are amortized on a straight line basis over the estimated life of three years and Technical Know-How and Guidance Fee is amortised on straight line method over the estimated life of 6 years from the date of capitalisation.

Assets costing up to Rs. 5,000 are fully depreciated in the period of acquisition.

**(e) Inventories**

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Scrap is valued at "Net Realizable Value".

Excise duty liability is included in the valuation of closing inventory of finished goods.

**(f) Revenue Recognition**

Domestic Sales are recognized on transfer of significant risk and rewards to customer, which takes place on dispatch of goods to the customers from factory. The sales are accounted for net of trade discount, sales tax; sale returns but includes excise duty. Export Sales are recognized at the time of the clearance of goods and approval of excise authorities.

Sales include revision in prices received from customers with retrospective effect.

Interest Income is accounted for on time proportional basis. Dividend income is recognized when the right to receive the Dividend is established.

**(g) Purchases**

Purchase of material is recognized on the basis of acceptance of material at the respective location.

Price revision of material purchased has also been included in purchases. Further adjustments, if any, are made in the year of final settlement.

**(h) Foreign Exchange Transactions**

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currencies as at the Balance sheet Date are translated at year end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss. Non-Monetary assets are recorded at the rates prevailing on the date of transaction.

The exchange differences arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous financial statement are recognized as income/expense in the period in which they arise.

Company has one branch office outside India is classified as integral foreign operation as those carry on their operations as if they were an extension of Company's operation according to the provision of Accounting Standard (AS) 11, The effects of Changes in foreign exchange rates. The financial statement of an integral foreign operation are translated into Indian Rupees as if the transaction of the foreign operation were those of company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in the Statement of Profit & Loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of contract as well as exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception/the last reporting date, is recognized as income/expense for the period.

**(i) Borrowing Costs**

Borrowing costs that are attributable to the acquisition for construction of qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**(j) Investments**

Long Term Investments are stated at cost unless there is a diminution of permanent nature, if any. Current Investments are carried at lower of cost or fair value.

**(k) Expenditure on Research and Development**

The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However Expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labor and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.

Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

**(l) Employee Benefit**

- i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.
- ii) The Company has Defined Contribution plans for post employment benefits' namely Provident Fund and Employee State Insurance Scheme. The Company's contributions in the above plans are charged to revenue every year.
- iii) The Company has Defined benefits plans namely Leave Encashment / Compensated Absence and Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each Financial Year by using 'Projected Unit Credit' (PUC) method. However, the company through its Trust has taken a policy with 'Life Insurance Corporation of India' to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

- iv) Provision for Leave Encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each Financial Year by using 'Projected Unit Credit' (PUC) method.
- v) Actuarial gains / losses are immediately taken to Statement of Profit and Loss.
- vi) Terminal benefits are recognized as an expense immediately.

**(m) Taxes on Income**

**(i) Current Tax**

Current tax is amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

**(ii) Deferred Tax**

Deferred tax resulting from "timing difference between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(n) Contingency/Provisions**

Provision is recognized when a company has a present obligation as a result of past event, it is probable that an outflow of resources embodying benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent Liabilities, if material are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements.

**(o) Leases**

Lease arrangements where the risks and rewards incident to the ownership of assets substantially vests with the lesser, are recognized as operating leases. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss.

**(p) Earnings Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable (taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

**(q) Cash Flow**

Cash Flow statement is prepared as per the indirect method prescribed under "Accounting Standard-3" "Cash Flow Statement".

**(r) Cash and cash equivalents**

Cash and Cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

**(s) Warranty**

Warranty expenses are provided for in the year of sales based on technical estimates. In addition, specific provision is also made against customer claims for manufacturing.

**(t) Impairment of Assets**

The company assesses whether there is any indication that any asset may be impaired at the balance sheet date. If any indication exists, the company estimates the recoverable amount. If the carrying amount of the fixed assets exceeds the recoverable amount, an impairment loss is recognized in the accounts; to the extent the carrying amount exceeds the recoverable amount.

PARTICULARS	(Rupees in Lacs)	
	As At March 31, 2015	As At March 31, 2014
<b>NOTE 3 : SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
50,000,000 (31st March, 2014 : 50,000,000) Equity Shares of Rs. 10/- each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed &amp; Paid-up Shares</b>		
<b>Equity Share Capital</b>		
5,946,326 (31st March, 2014: 5,946,326) Equity Shares of Rs. 10/- each fully paid up	594.63	594.63
	<b>594.63</b>	<b>594.63</b>

**a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year**

Equity Shares	March 31, 2015		March 31, 2014	
	No of shares.	Amount	No of shares.	Amount
At the beginning of the year	5,946,326	594.63	5,946,326	594.63
Add:- Issued during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Outstanding at the end of the year	<b>5,946,326</b>	<b>594.63</b>	<b>5,946,326</b>	<b>594.63</b>

**b) Terms/rights attached to Equity shares**

The company has only one class of Equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

During the year ended 31st March, 2015, the amount of per share dividend recognized as distributions to Equity Shareholders was Rs. 10/- (31st March, 2014: Rs. 10/-)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shares in the company held by each shareholder holding more than 5 percent shares**

Equity Shares	March 31, 2015		March 31, 2014	
	No of equity shares	% of holding	No of equity shares	% of holding
Mr. N.D Relan	450,960	7.58	450,960	7.58
Mrs. Sharda Relan	697,520	11.73	697,520	11.73
Mr. Ajay Relan	785,378	13.21	785,378	13.21
Mr. Rohit Relan	428,818	7.21	428,818	7.21
Mrs. Ritu Relan	742,520	12.49	742,520	12.49
Mrs. Mala Relan	496,260	8.35	496,260	8.35

NOTE 4 : RESERVES AND SURPLUS	(Rupees in Lacs)	
	As At March 31, 2015	As At March 31, 2014
<b>Capital Reserve</b>		
Balance as per last financial statements	0.20	0.20
Addition during the year	-	-
Closing balance	<b>0.20</b>	<b>0.20</b>
<b>General Reserve</b>		
Balance as per last financial statements	15,425.68	14,425.68
Addition during the year	3,000.00	1,000.00
Closing balance	<b>18,425.68</b>	<b>15,425.68</b>

	(Rupees in Lacs)	
	As At March 31, 2015	As At March 31, 2014
<b>Surplus / (Loss) as per Statement of Profit &amp; Loss</b>		
Balances as per last financial statements	1,758.54	1,952.75
<b>Add:- Profit for the year</b>	<b>3,612.74</b>	<b>1,501.49</b>
	<b>5,371.28</b>	<b>3,454.24</b>
<b>Less:- Appropriations:</b>		
- Interim Dividend (Dividend amount per share Rs.5 (31st March,2014: Rs 5)	297.32	297.32
- Proposed Dividend on Equity Shares (Dividend amount per share Rs.5 (31st March,2014: Rs 5)	297.32	297.32
- Dividend Distribution Tax on Interim Dividend	59.45	50.53
- Dividend Distribution Tax on Proposed Dividend	60.87	50.53
- Transfer to General Reserves	3,000.00	1,000.00
- Depreciation Adjustment as per Schedule II of the Companies Act,2013 (net of deferred tax of Rs. 66.26 Lacs (31st March,2014: Nil))*	137.95	-
<b>Total Appropriation</b>	<b>3,852.92</b>	<b>1,695.70</b>
<b>Net Surplus in the Statement of Profit &amp; Loss</b>	<b>1,518.37</b>	<b>1,758.54</b>
<b>Total Reserves &amp; Surplus</b>	<b>19,944.25</b>	<b>17,184.04</b>

\* Refer Note No. 32

	(Rupees in Lacs)			
	Non Current portion		Current Maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>NOTE 5 : LONG TERM BORROWINGS</b>				
<b>Secured Borrowings</b>				
<b>Term loans</b>				
<b>From Banks</b>				
External commercial Borrowing	3,448.72	4,321.73	1,054.15	319.47
Rupee term loan	-	-	-	81.06
	<b>3,448.72</b>	<b>4,321.73</b>	<b>1,054.15</b>	<b>400.53</b>
Amount disclosed under 'Other Current Liabilities' (Note no. 10)	-	-	<b>1,054.15</b>	<b>400.53</b>
<b>Long Term Borrowings</b>	<b>3,448.72</b>	<b>4,321.73</b>	<b>-</b>	<b>-</b>

**Note: Particulars of Security/Guarantees/Terms of Repayment/Default**

**Terms of Loans :**

**The ECB loan consists of 2 loans:**

- First loan of US \$ 2.0 Million was taken in August, 2012 and repayable in 15 instalments of US\$ 133,333 commencing from 26.01.2014. The loan carries an interest rate of 8.45% p.a.
- Second loan of US \$ 6.0 Million was taken in January, 2014 and repayable in Six instalments. The Loan carries an interest rate of 7.75% p.a. The repayment schedule of the said loan is as under:

Installment	Due Date	Amount Repayable in US\$
1	7/30/2015	600000
2	1/29/2016	600000
3	7/29/2016	1000000
4	1/31/2017	1000000
5	7/31/2017	1400000
6	1/30/2018	1400000



**a) Term Loan (External Commercial Borrowing) - I Loan**

First Exclusive charge over immovable assets at C-506 & 526, Pioneer Industrial Park, Patherdi, Bilaspur Chowk Manesar, Distt : Gurgaon and first exclusive charge on plant & machinery and other movable fixed assets purchased out of the proceeds of the loan.

**b) Term Loan (External Commercial Borrowing) - II Loan**

First Exclusive charge over immovable assets at G-20, Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur, Kancheepuram Dist. Tamilnadu and first exclusive charge on plant & machinery and other movable fixed assets purchased out of the proceeds of the loan. The Borrower shall maintain a minimum security cover of 1.25 times during the entire tenor of the facility.

**c) Rupee Term Loan (Previous year)**

Mortgage in favour of bank in respect of Plot No. C - 8 , TML Vendor Park, Sanand Road, Kotepura, Sanand, Ahemdabad. The loan was taken in financial year 2010-11 and repayable in 16 Instalments of Rs. 81.06 Lacs beginning from 10.08.2010.

	(Rupees in Lacs)	
<b>NOTE 6 : DEFERRED TAX LIABILITIES (NET)</b>	<b>As At March 31, 2015</b>	<b>As At March 31, 2014</b>
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis	143.26	67.50
<b>Total (A)</b>	<b>143.26</b>	<b>67.50</b>
<b>Deferred Tax Liabilities</b>		
Fixed Assets: Impact of difference between Tax Depreciation and depreciation/ amortization charged for the financial reporting	1,766.46	2,202.37
<b>Total (B)</b>	<b>1,766.46</b>	<b>2,202.37</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>1,623.20</b>	<b>2,134.87</b>

"\*Excluding deferred tax credit of Rs. 66.26 Lacs (Previous Year Nil) relating to depreciation recorded through reserves & surplus (explained in note no. 32) which is recorded as an adjustment to reserves and surplus."

	(Rupees in Lacs)			
<b>NOTE 7 : OTHER LONG TERM LIABILITIES</b>	<b>Long Term</b>		<b>Current Portion</b>	
	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Gratuity	107.82	55.05	19.48	7.30
Advances from Customers	0.01	0.01	1,043.34	1,238.69
Others	45.32	158.42	-	-
	<b>153.15</b>	<b>213.48</b>	<b>1,062.82</b>	<b>1,245.99</b>
Amount disclosed under Other Current Liabilities (Current portion of long term liabilities)	-	-	<b>1,062.82</b>	<b>1,245.99</b>
	<b>-</b>	<b>-</b>	<b>1,062.82</b>	<b>1,245.99</b>

NOTE 8 : PROVISIONS	(Rupees in Lacs)			
	Long Term		Short Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Provision for Employee Benefits (Refer Note no. 22.1)</b>				
Leave Encashment	114.67	93.00	64.16	57.29
<b>Other Provisions</b>				
Provision for warranty claim (Refer Note no. 8.1)	383.82	290.04	-	-
Proposed Dividend	-	-	297.32	297.32
Tax on Proposed Dividend	-	-	60.87	50.53
Wealth Tax	-	-	2.50	2.73
	<b>498.49</b>	<b>383.04</b>	<b>424.85</b>	<b>407.87</b>

NOTE 8.1 : DISCLOSURE REQUIRED BY AS-29 (PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES)	(Rupees in Lacs)	
	As At March 31, 2015	As At March 31, 2014
Opening balance (as on 1st April)	290.04	264.97
Provision made during the year	168.96	167.17
Amount used/reversed/paid during the year	75.18	142.10
<b>Closing balance (as on 31st March)</b>	<b>383.82</b>	<b>290.04</b>

NOTE 9 : SHORT TERM BORROWINGS	(Rupees in Lacs)	
	As At March 31, 2015	As At March 31, 2014
<b>Secured Borrowing</b>		
<b>Loans repayable on demand</b>		
<b>From Banks-Secured</b>		
Cash credit from Banks	1,577.14	7,527.27
<b>Others</b>		
<b>From Banks</b>		
Bills Discounted	478.25	168.42
Buyers Credit	-	2,702.18
Others	-	1,110.00
<b>Unsecured Borrowing</b>		
Loans and advances from Related parties	7,863.94	6,292.16
Directors		
	<b>9,919.33</b>	<b>17,800.03</b>

**a) Cash Credit/Buyer's Credit**

- (i) Secured by charge on inventories and books debts
- (ii) Equitable mortgage of leasehold land and building, situated at Plot No.4, Sector 31, Greater Noida Industrial Development Area, U.P., and plant & Machinery and other assets
- (iii) Rate of Interest  
 Cash Credit : 11.0% - 12.5%  
 Buyer's Credit : 3.0% - 3.5%

**b) Bills Discounted**

First hypothecation charge on pre-accepted hundies by Tata Motors Ltd. And bill discounting under the bill discounting/ Express vendor discounting schemes and receivables of Tata Motors Ltd. both present and future hemes and receivables of Tata Motors Ltd. Both present and future

**c) Directors Loan**

Payable on demand. The loan is taken on an interest rate of 10% - 12%.

	(Rupees in Lacs)	
<b>NOTE 10 : OTHER CURRENT LIABILITIES</b>	<b>As At March 31, 2015</b>	<b>As At March 31, 2014</b>
Trade Payables (Refer note below for details of dues to micro and small enterprises)	12,008.52	10,588.53
	<b>12,008.52</b>	<b>10,588.53</b>
<b>Other Liabilities:</b>		
Current maturities of long-term debt (Note No. 5)	1,054.15	400.53
Unclaimed dividend	41.29	37.65
Bank Overdrafts	6.30	-
Statutory dues	650.72	669.38
Interest Accrued but not due on borrowings	60.15	70.52
Current portion of Long Term Liabilities (Note no. 7)	1,062.82	1,245.99
Creditors for Capital Expenditure	310.09	653.80
	<b>3,185.52</b>	<b>3,077.87</b>
	<b>15,194.04</b>	<b>13,666.40</b>

- a) The above does not includes any amount due to be transferred to investor education & protection fund
- b) As per Schedule III of Companies Act,2013 & notification number GSR 719 (E) dated November 16, 2007, there are no amount due as of 31st March, 2015 due to micro, small & medium enterprises as defined in Industries (Development and Regulation) Act, 1951, hence it has not been disclosed in the books of the company (31st March, 2014 Rs. Nil). Further no interest during the year have been paid or payable under the terms of MSMED Act' 2006

<b>Notes to financial statement for the year ended on March 31, 2015</b>											
<b>NOTE 11 : FIXED ASSETS</b>											
<b>(Rupees in Lacs)</b>											
<b>PARTICULARS</b>	<b>GROSS BLOCK</b>				<b>DEPRECIATION/AMORTISATION</b>				<b>NET BLOCK</b>		
	<b>AS AT 01 APRIL, 2014</b>	<b>ADDITION</b>	<b>SALE / ADJUSTMENT</b>	<b>AS AT 31 MARCH, 2015</b>	<b>AS AT 01 APRIL, 2014</b>	<b>ADDITION</b>	<b>SALE / ADJUSTMENT</b>	<b>ADJUSTMENT THROUGH RETAINED EARNING</b>	<b>AS AT 31 MARCH, 2015</b>	<b>AS AT 31 MARCH, 2015</b>	<b>AS AT 31 MARCH, 2014</b>
<b>A. Tangible Assets</b>											
Land											
- Lease Hold	837.46	-	-	837.46	66.90	8.67	-	-	75.57	761.89	770.57
- Free Hold	1,410.09	-	-	1,410.09	6.78	-	-	-	6.78	1,403.31	1,403.31
Buildings	9,505.70	13.91	-	9,519.61	3,083.34	630.66	-	-	3,714.00	5,805.61	6,422.36
Plant and Equipment	28,031.97	3,946.13	1,673.27	30,304.83	11,890.56	3,145.36	216.06	132.73	14,952.59	15,352.24	16,141.40
Office Equipments and Furniture & Fixtures	1,445.82	66.94	-	1,512.76	874.61	225.08	-	60.84	1,160.53	352.23	571.21
Electrical Installations and Equipment	2,896.06	26.07	-	2,922.13	1,212.91	326.89	-	6.17	1,545.97	1,376.16	1,683.15
Vehicles	1,207.16	101.64	33.42	1,275.38	835.20	139.08	30.56	4.48	948.20	327.18	371.96
<b>Total</b>	<b>45,334.26</b>	<b>4,154.69</b>	<b>1,706.69</b>	<b>47,782.26</b>	<b>17,970.30</b>	<b>4,475.74</b>	<b>246.62</b>	<b>204.22</b>	<b>22,403.64</b>	<b>25,378.62</b>	<b>27,363.96</b>
<b>B. Intangible Assets</b>											
Software Development	448.40	1.98	-	450.38	390.75	27.02	-	-	417.77	32.61	57.65
Technical Knowhow & Guidance	5,611.93	-	-	5,611.93	3,171.90	697.73	-	-	3,869.63	1,742.30	2,440.03
<b>Total</b>	<b>6,060.33</b>	<b>1.98</b>	<b>-</b>	<b>6,062.31</b>	<b>3,562.65</b>	<b>724.75</b>	<b>-</b>	<b>-</b>	<b>4,287.40</b>	<b>1,774.91</b>	<b>2,497.68</b>
<b>Total (A+B)</b>	<b>51,394.59</b>	<b>4,156.67</b>	<b>1,706.69</b>	<b>53,844.57</b>	<b>21,532.95</b>	<b>5,200.49</b>	<b>246.62</b>	<b>204.22</b>	<b>26,691.04</b>	<b>27,153.53</b>	<b>29,861.64</b>
<b>C. Capital Work in Progress</b>											
	713.35	754.79	713.35	754.79	-	-	-	-	-	754.79	713.35
<b>Grand Total (A+B+C)</b>	<b>52,107.94</b>	<b>4,911.46</b>	<b>2,420.04</b>	<b>54,599.36</b>	<b>21,532.95</b>	<b>5,200.49</b>	<b>246.62</b>	<b>204.22</b>	<b>26,691.04</b>	<b>27,908.32</b>	<b>30,574.99</b>
<b>March 31, 2014</b>	<b>44,150.16</b>	<b>9,273.99</b>	<b>1,316.21</b>	<b>52,107.94</b>	<b>17,041.81</b>	<b>4,555.21</b>	<b>64.06</b>	<b>-</b>	<b>21,532.96</b>	<b>30,574.98</b>	<b>27,108.35</b>

Notes :

1. Leasehold Land represents the cost of Land acquired at Singur ( West Bengal ), Lease deed in respect of which is under execution.

		(Rupees in Lacs)	
<b>NOTE 11.1: PRE OPERATIVE EXPENDITURE AND CAPITAL WORK IN PROGRESS</b>		<b>As At March 31, 2015</b>	<b>As At March 31, 2014</b>
(a) Pre Operative Expenditure	357.43	-	357.43
Less : Provision for pre-operative expenditure	357.43		357.43
(b) Capital Work in Progress		754.79	713.35
<b>Total</b>		<b>754.79</b>	<b>713.35</b>

**NOTE 11.2: LEASES**

Assets taken on operating lease:

The company has taken certain assets on non-cancelable operating lease and lease rent amounting to Rs. 314.29 Lac (31st March, 2014: Rs. 317.84 Lac) has been debited to the Statement of Profit & Loss. The future minimum lease payments as on 31st March, 2015 is as under :

Not Later Than 1 year	278.64	317.84
Later than 1 year but not later than 5 years	623.88	1,272.99

**General Description of Lease terms:**

- Lease rentals are charged on the basis of agreed terms
- Assets taken on lease over a period of 1 to 5 years.

**NOTE 12 : INVESTMENTS**

		(Rupees in Lacs)	
<b>NOTE 12.1: NON CURRENT INVESTMENTS</b>		<b>As At March 31, 2015</b>	<b>As At March 31, 2014</b>
<b>Trade Investments (Valued at cost unless otherwise stated)</b>			
<b>Quoted Equity Instruments</b>			
<b>Investment in Associates</b>			
9,000,000 Equity shares (31st March, 2014: 9,000,000), including Bonus Shares of 4,500,000 of Rs.2/- each , fully paid up of Bharat Seats Ltd.		90.00	90.00
<b>Unquoted Equity Instruments</b>			
<b>Investment in Joint Venture</b>			
" 5,000 Equity shares (31st March, 2014: NIL) of Rs. 10 each, fully paid up of Toyota Boshoku Relan India Pvt. Ltd. "		0.50	-
" 7,50,000 Equity shares (31st March, 2014: NIL) of Rs. 10 each, fully paid up of Toyo Sharda India Pvt. Ltd. "		75.00	-
<b>Total Trade Investments (A)</b>		<b>165.50</b>	<b>90.00</b>
<b>Non Trade Investments (Valued at cost unless otherwise stated)</b>			
<b>Unquoted Equity Instruments</b>			
<b>Investment in Associates</b>			
" 490,000 Equity shares (31st March, 2014: 490,000) of Rs. 10 each, fully paid up of Relan Industrial Finance Ltd. "		49.00	49.00
<b>Total Non Trade Investments (B)</b>		<b>49.00</b>	<b>49.00</b>
<b>Total Non current Investment (A+B)</b>		<b>214.50</b>	<b>139.00</b>

	(Rupees in Lacs)	
	As At March 31, 2015	As At March 31, 2014
Aggregate Value of Quoted Investments	90.00	90.00
Market Value of Quoted Investments	2,641.50	1,438.20
Aggregate value of Unquoted Investments	49.00	49.00

	(Rupees in Lacs)			
	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>NOTE 13 : LOANS AND ADVANCES</b> (Unsecured considered good unless otherwise stated)				
<b>Capital Advances</b> (Unsecured, considered good)	1,034.65	1,686.89	-	-
<b>Security Deposits</b> (Unsecured, considered good)	205.64	190.10	-	-
<b>Advances Recoverable in cash or in kind</b> (Unsecured, considered good)	-	-	331.81	576.85
<b>Other Loans &amp; Advances (Unsecured, considered good)</b>				
Inter-Corporate Deposits	-	-	-	550.00
Interest Accrued but not due on Inter-Corporate Deposits	-	-	-	49.07
MAT Credit Entitlement	1,415.79	984.79	-	-
Advance tax (Net of Provision : Rs. 2395.23 Lacs)	97.18	7.44	-	-
Prepaid Expenses	81.86	134.30	169.41	160.92
Balance with Revenue Authorities	-	-	135.36	136.34
Advances to Vendors	-	-	75.97	251.39
	<b>2,835.12</b>	<b>3,003.52</b>	<b>712.55</b>	<b>1,724.57</b>

	(Rupees in Lacs)			
	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>NOTE 14 : TRADE RECEIVABLES AND OTHER ASSETS</b>				
<b>Trade Receivables</b> (Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	16.22	2.92
Outstanding for a period less than 6 months from the date they are due for payment	-	-	9,917.03	10,510.76
	-	-	<b>9,933.25</b>	<b>10,513.68</b>
<b>Other assets</b>				
Other Receivables	-	-	0.95	0.95
Non Current Bank Balances (Note no. 16)	5.00	5.00	-	-
	<b>5.00</b>	<b>5.00</b>	<b>0.95</b>	<b>0.95</b>
	<b>5.00</b>	<b>5.00</b>	<b>9,934.20</b>	<b>10,514.63</b>

**NOTE 15 : INVENTORIES**

	(Rupees in Lacs)	
	As At March 31, 2015	As At March 31, 2014
Raw materials	6,164.88	5,296.23
Consumable stores	284.38	149.18
Goods in Transit-Raw Material	142.95	107.60
Work In Progress	2,040.00	1,520.29
Finished Goods	16.09	9.84
Traded Goods	21.31	21.31
	<u>8,669.61</u>	<u>7,104.45</u>

**NOTE 16 : CASH AND BANK BALANCES**

	(Rupees in Lacs)			
	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Cash & cash Equivalent				
Balances with Banks:-				
On Current Account	-	-	172.40	2,337.85
On EEFC Account	-	-	0.44	23.94
Unpaid Dividend Account	-	-	41.29	37.65
Deposit with original maturity for less than 3 months	-	-	1,300.00	-
Cash on hand	-	-	0.71	0.58
	<u>-</u>	<u>-</u>	<u>1,514.84</u>	<u>2,400.02</u>
<b>Other Bank Balances</b>				
Margin Money Deposit with original maturity of more than 12 Months	5.00	5.00	-	-
Fixed Deposit with original maturity of more than 3 Months but less than 12 Months	-	-	-	1,100.00
Interest Accrued but not due	-	-	6.52	139.92
	<u>5.00</u>	<u>5.00</u>	<u>6.52</u>	<u>1,239.92</u>
Amount disclosed under Non Current Assets (Note no.14)	5.00	5.00	-	-
	<u>-</u>	<u>-</u>	<u>1,521.36</u>	<u>3,639.94</u>

**Note: Margin Money Deposit is Pledged with Canara Bank amounting to Rs. 5.00 Lacs (31st March, 2014: Rs. 5.00 Lacs)**

**NOTE 17 : REVENUE FROM OPERATIONS**

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Revenue from - Sale of Product		
- Finished goods	112,955.10	103,637.51
- Traded goods	7,250.32	6,860.75
	<u>120,205.42</u>	<u>110,498.26</u>
Less: Inter Unit Transfer	17,003.94	14,627.77
Net Revenue from sale of Product	103,201.48	95,870.49
(b) Revenue from -Sale of Services	45.23	80.12
(c) Other Operating Revenues	829.55	917.52
(d) Less: Excise duty	16,622.05	15,136.56
<b>Total</b>	<u>87,454.21</u>	<u>81,731.57</u>

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Details of product sold</b>		
<b>a) Finished goods sold (Net of Inter Unit Transfer)</b>		
- Metal Parts	78,410.34	76,345.44
- Fabric	14,699.56	10,185.57
- White Goods	2,841.26	2,478.73
	<b>95,951.17</b>	<b>89,009.74</b>
<b>b) Traded goods sold</b>		
- Auto components	7,250.32	6,860.75
	<b>7,250.32</b>	<b>6,860.75</b>
<b>Net Revenue from sale of product</b>	<b>103,201.48</b>	<b>95,870.49</b>
<b>c) Earning in foreign currency</b>		
F.O.B. value of exports	2,900.75	2,782.31
	<b>2,900.75</b>	<b>2,782.31</b>
<b>Details of Sale of Services</b>		
a) Job Work	45.23	80.12
	<b>45.23</b>	<b>80.12</b>
<b>Details of Other Operating Revenues</b>		
a) Sale of Scrap	609.85	648.20
b) Design & Development Income	219.70	269.32
	<b>829.55</b>	<b>917.52</b>
		(Rupees in Lacs)
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>NOTE 18 : OTHER INCOME</b>		
Dividend Income from		
Trade Investment	72.00	72.00
Interest Income from		
FDR's	65.08	105.54
Others	72.04	59.60
Profit from Sale of Tools	501.57	384.87
Prior Period Adjustment((Refer Details below)	2.44	-
Other Income	267.23	698.08
	<b>980.36</b>	<b>1,320.09</b>
<b>Prior Period Adjustment</b>		
Prior Period Income	2.44	-
	<b>2.44</b>	<b>-</b>



**NOTE 19 : COST OF MATERIAL CONSUMED**
**1. Raw Material**

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Raw Material at the beginning of the year	5,445.41	6,707.95
(b) Add:- Addition during the year	57,400.86	51,850.14
(c) Less:- Balances of Raw Material at the end of the year	6,449.26	5,445.41
(d) Cost of Raw Material Consumed	<b>56,397.01</b>	<b>53,112.68</b>

**a) Details of raw material and components consumed**

Steel	17,686.96	16,457.73
Fabric	10,182.26	7,055.45
Others	28,527.79	29,700.81
	<b>56,397.01</b>	<b>53,213.99</b>

**b) C.I.F Value of imports**

Raw material	13,669.21	10,207.74
Capital Goods	895.12	2,054.32
Machinery Spares & Consumables	209.03	419.73
	<b>14,773.37</b>	<b>12,681.79</b>

**c) Details of Indigenous and imported material consumed**

	(Rupees in Lacs)	%	(Rupees in Lacs.)	%
Raw Material				
- Imported	12,639.18	22.41	12,303.07	23.12
- Indigenous	43,757.83	77.59	40,910.92	76.88
	<b>56,397.01</b>	<b>100.00</b>	<b>53,213.99</b>	<b>100.00</b>

**NOTE 20 : PURCHASES OF STOCK - IN - TRADE**

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Auto components	6,226.09	5,914.60
	<b>6,226.09</b>	<b>5,914.60</b>

**NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN-PROGRESS AND STOCK IN TRADE**
**Inventories at the end of the year**

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Finished goods	16.09	9.84
Traded goods	21.31	21.31
Work- in- progress	2,040.00	1,520.29
	<b>2,077.40</b>	<b>1,551.44</b>

**Inventories at the beginning of the year**

Finished goods	9.84	2.22
Traded goods	21.31	26.63
Work- in- progress	1,520.29	1,438.61
	<b>1,551.44</b>	<b>1,467.46</b>

**(Excess)/Shortage of Closing stock over Opening Stock**
**(525.96) (83.98)**

**Details of Inventory**
**Finished goods**

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Metals parts	6.99	0.53
Fabrics	8.40	8.75
White Goods	0.71	0.56
	<b>16.10</b>	<b>9.84</b>

**Traded goods**

Audio video	<b>21.31</b>	<b>21.31</b>
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**Work- in- Progress**

Metal Parts	1,352.75	1,337.00
Fabric	687.25	183.29
	<b>2,040.00</b>	<b>1,520.29</b>

**NOTE 22 : EMPLOYEE BENEFITS EXPENSE**

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Wages & Other Benefits	1,372.04	1,301.86
Salaries & Other Benefits	2,878.00	2,526.60
Director's Remuneration	529.27	204.57
Contribution to Provident and other funds	276.23	256.18
Gratuity (refer note below)	127.65	62.35
Staff Welfare Expenses	545.40	501.30
	<b>5,728.59</b>	<b>4,852.86</b>

**NOTE 22.1: EMPLOYEE BENEFITS EXPENSES**

The company has classified the various benefit provided to employees as under

**(i) Defined Contribution Plans**

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under :

Employer's Contribution to Provident Fund/ Pension Fund	234.32	213.20
Employer's Contribution to Employees State Insurance Scheme	41.20	42.39
Employer's Contribution to Employees Welfare Fund	0.71	0.59
	<b>276.23</b>	<b>256.18</b>

**(ii) Defined Benefit plans**

**Gratuity Scheme:** The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. The obligation for leave encashment is a defined unfunded benefit plan, which is recognized in the same manner as gratuity.

**Leave Encashment/Compensated Absences:** This is an unfunded defined benefit plan.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on 31st March, 2015).

In accordance with the Accounting Standard (revised 2005), an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on following assumptions:

<b>I. Changes in present value of Defined Benefit obligations :</b>				(Rupees in Lacs)
Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation as at the beginning of the year	526.67	150.28	463.04	150.43
Current Service Cost	76.54	35.83	64.38	22.53
Past Service Cost	-	-	-	-
Interest Cost	47.93	13.68	37.04	12.03
Actuarial (gain) / loss on obligations	42.74	(5.55)	(1.60)	(14.04)
Benefits paid	(88.58)	(15.41)	(36.19)	(20.67)
Defined Benefit obligation at the year end	<b>605.30</b>	<b>178.83</b>	<b>526.67</b>	<b>150.28</b>

<b>II. Change in the Fair Value of Plan Assets</b>			
Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014
	Gratuity (Funded)		Gratuity (Funded)
Fair value of plan assets at the beginning of the year	464.32		413.13
Expected return on plan assets	40.63		38.21
Actuarial gain/ (loss)	(1.07)		(0.75)
Employer Contribution	62.71		49.90
Benefits paid	(88.58)		(36.19)
Fair value of plant assets at the year end	<b>478.01</b>		<b>464.32</b>

<b>III. Change in the Fair Value of assets and obligation</b>				
Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of obligation	605.30	178.83	526.67	150.28
Fair value of plan assets	478.01	-	464.32	-
Amount recognized in balance sheet	<b>127.29</b>	<b>178.83</b>	<b>62.35</b>	<b>150.28</b>

<b>IV. Expenses/ (Income) recognized in the Statement of Profit &amp; Loss</b>				
Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	76.54	35.83	64.38	22.53
Past Service Cost	-	-	-	-
Interest Cost	47.93	13.68	37.04	12.03
Expected Return on plan assets	(40.63)	-	(38.21)	-
Actuarial (gain)/ loss	43.81	(5.55)	(0.86)	(14.04)
Net Cost	<b>127.65</b>	<b>43.96</b>	<b>62.35</b>	<b>20.53</b>

<b>V. Investment details of plan assets</b>	
<b>Particulars</b>	<b>Gratuity (Funded)</b>
Insured with LIC	100%

<b>VI. Actuarial Assumptions</b>				
<b>Particulars</b>	<b>For the year ended March 31, 2015</b>		<b>For the year ended March 31, 2014</b>	
	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Unfunded)</b>	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Unfunded)</b>
Mortality Table (LIC)	<b>2006-2008 (Ultimate)</b>	<b>2006-2008 (Ultimate)</b>	<b>2006-2008 (Ultimate)</b>	<b>2006-2008 (Ultimate)</b>
Discount rate (per annum)	7.80%	7.80%	9.10%	8.60%
Expected rate of return on plan assets (per annum)	9.00%	0.00%	8.75%	0.00%
Rate of increase in Compensation levels	10.00%	10.00%	10.00%	10.00%

**Note:**

The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors on long term basis including supply and demand in the employment market.

The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.

**Defined benefit obligation (DBO), Plan assets, Deficit / (Surplus), for previous years**

<b>Particulars</b>	<b>As at March 31, 2014</b>		<b>As at March 31, 2013</b>		<b>As at March 31, 2012</b>		<b>As at March 31, 2011</b>	
	<b>Gratuity Scheme Funded Plan</b>	<b>Leave Encashment Scheme Unfunded Plan</b>	<b>Gratuity Scheme Funded Plan</b>	<b>Leave encashment Scheme Unfunded Plan</b>	<b>Gratuity Scheme Funded Plan</b>	<b>Leave encashment Scheme Unfunded Plan</b>	<b>Gratuity Scheme Funded Plan</b>	<b>Leave encashment Scheme Unfunded Plan</b>
Present value of defined benefit obligation (DBO)	526.67	150.28	463.04	150.43	388.59	117.42	310.90	106.20
Value of plan assets	464.32	-	413.13	-	330.79	-	236.66	-
Deficit / (Surplus)	(62.35)	(150.28)	(49.91)	(150.43)	(57.80)	(117.42)	(74.24)	(106.20)

**(Rupees in Lacs)**
**NOTE 23 : FINANCE COST**

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Interest Expense	1,452.82	1,355.85
Other Borrowing Costs	86.90	141.46
Hedging Cost	-	127.50
	<b>1,539.72</b>	<b>1,624.81</b>

**(Rupees in Lacs)**
**NOTE 24 : OTHER EXPENSES**

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Consumption of tools	148.30	180.84
Power & Fuel	1,248.34	1,096.59
Hire Labour Charges	3,854.26	3,846.03
Manufacturing expenses	481.11	526.40
Rent, Rates & Taxes	354.18	319.32
Incremental effect of Excise Duty on Finished Goods	1.11	0.38

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Repair &amp; maintenance</b>		
-Repair to Building	30.64	76.55
-Repair to Plant & Equipments*	437.67	554.78
-Repair Others	193.85	194.37
Exchange Fluctuation	266.05	623.73
Royalty	66.55	201.70
Research & Development expenses (Refer Details below)	656.03	679.24
Travelling & conveyance	717.42	653.57
Insurance	51.93	65.49
Communication cost	65.57	69.85
Director's sitting fee & commission	49.10	24.30
Legal & Professional expenses	213.38	126.89
Selling & Distribution expenses	944.39	903.49
Auditor's Remuneration (Refer Details below)	19.21	24.11
Miscellaneous expenses	626.18	698.98
	<b>10,425.27</b>	<b>10,866.61</b>

\* Includes value of Stores and Spares consumed of Rs. 117.5 lacs (31st March, 2014 : Rs. 149.06 Lacs). Refer pt. (c) and (d) below.

**a) Payment to Auditor**

**As Auditor**

Audit fee	12.00	11.00
Tax Audit fee	3.50	3.10

**In other capacity**

Certification Fees	1.80	6.75
Taxation matter	1.30	2.65
Reimbursement of expenses	0.61	0.61
	<b>19.21</b>	<b>24.11</b>

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>b) Expenditure incurred in Foreign Currency</b>		
Foreign Traveling	277.75	234.67
Royalty	63.38	192.11
Interest on Loan	159.76	63.23
Technical Know-how / Guidance Fee / Consultancy	57.94	553.04
Repair and Maintenance	-	10.78
Buyers Credit Interest	17.67	64.08
Legal & Professional Charges	-	44.82
Subscription & Fee	1.26	1.15
General Charges	-	5.67
	<b>577.76</b>	<b>1,169.55</b>

**c) Details of Indigenous and imported material consumed Stores & Spares**

	For the year ended March 31, 2015		For the year ended March 31, 2014	
	(Rs. in lacs)	%	(Rs. in lacs)	%
Imported	27.71	23.58	36.78	24.67
Indigenous	89.79	76.42	112.28	75.33
	117.50	100	149.06	100.00

**d) Research & Development Expenses**

Research & Development expenses include:

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
- Purchases	11.52	16.25
- Salary, Wages and other allowance	259.54	214.64
- Travelling Expenses	75.58	89.20
- Design, Development and other expenses	309.38	359.15
	<b>656.03</b>	<b>679.24</b>

**e) Company's R&D Centre at Chennai which is recognised at DSIR, Govt. of India upto 31.03.2016 has incurred following expenditure from the year 2005-06 to 2014-15**

Financial Year	Capital Expenses	Revenue Expenses
2005-06	-	257.07
2006-07	-	292.03
2007-08	-	189.59
2008-09	-	235.01
2009-10	28.50	127.62
2010-11	802.57	210.90
2011-12	787.84	351.17
2012-13	93.07	425.85
2013-14	2,034.23	679.24
2014-15	79.63	656.03

**NOTE 25: FINANCIAL AND DERIVATIVE INSTRUMENTS**

	(Rupees in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Foreign currency exposure hedged by derivative instruments	4,527.89	4,641.20
Foreign currency exposure that are not hedged by derivative instruments	2,120.23	4,015.70
	<b>6,648.12</b>	<b>8,656.90</b>
i. Particulars of Unhedged Foreign Currency Exposure as at balance Sheet date:		
a) <u>Creditors</u>		
- Buyers Credit	-	2,702.18
- Foreign Creditors	2,120.23	1,313.52
	<b>2,120.23</b>	<b>4,015.70</b>
ii. Particulars of hedged Foreign Currency Exposure as at balance Sheet date:		
a) <u>Foreign Currency ECB</u>		
- CTBC Loan US\$ 6 ML	3,756.00	3,594.00
- CITI Bank US\$ 2.0 ML	771.89	1,047.20
	<b>4,527.89</b>	<b>4,641.20</b>

**NOTE 26: SEGMENT WISE REPORTING**
**(a) Composition of Business Segments:**

The Company's business segments are organized on product lines as under:

- i) Automotive components
- ii) White Goods

**(b) Segment revenues, Results and Other Information**

(Rupees in Lacs)

Particulars	Year Ended 31st March, 2015			Year Ended 31st March, 2014		
	Automotive Components & Accessories	White Goods	Total	Automotive Components & Accessories	White Goods	Total
External Sales (Gross)	100,405.46	2,841.26	103,246.71	93,471.88	2,478.73	95,950.61
Less: Excise duty	16,320.57	301.48	16,622.05	14,924.18	212.38	15,136.56
Other Income	1,594.53	13.80	1,608.33	1,992.51	6.65	1,999.16
Segment Revenue	85,679.42	2,553.58	88,232.99	80,540.21	2,273.00	82,813.21
Un-allocated Income	-	-	201.58	-	-	238.45
<b>Total Revenue</b>	-	-	<b>88,434.57</b>	-	-	<b>83,051.66</b>
<b>Segment Results</b>	<b>7,288.45</b>	<b>(119.91)</b>	<b>7,168.54</b>	<b>5,149.18</b>	<b>(102.10)</b>	<b>5,047.08</b>
Un-allocated Expenses	-	-	2,185.46	-	-	1,213.40
<b>Operating Profit</b>	-	-	<b>4,983.08</b>	-	-	<b>3,833.68</b>
Less: Exceptional Items	-	-	-	-	-	-
Interest Expenses (Net)	-	-	1,539.72	-	-	1,624.81
Current Income Tax	-	-	276.00	-	-	-
Deferred Tax	-	-	(445.38)	-	-	700.80
Tax adjustment for earlier year (Net)	-	-	-	-	-	6.58
<b>Profit after tax</b>	-	-	<b>3,612.74</b>	-	-	<b>1,501.49</b>
<b>Segment Assets</b>	<b>22,306.46</b>	<b>1,110.87</b>	<b>23,417.33</b>	<b>25,743.45</b>	<b>985.79</b>	<b>26,729.24</b>
Un-allocated Assets	-	-	28,383.33	-	-	29,976.85
Total	-	-	51,800.66	-	-	56,706.09
Segment Liabilities	13,739.42	463.54	14,202.96	13,307.16	384.01	13,691.17
Un-allocated Liabilities	-	-	15,435.63	-	-	23,281.38
<b>Total</b>	-	-	<b>29,638.59</b>	-	-	<b>36,972.55</b>
Capital Expenditure	4,156.53	0.15	4,156.68	8,532.20	28.42	8,560.62
Depreciation/Amortisation	5,092.89	107.60	5,200.49	4,448.53	106.68	4,555.21

**NOTE 27 : RELATED PARTY DISCLOSURES**

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
a) Relan Industrial Finance Ltd.	Associate Companies
b) Bharat Seats Ltd.	
a) Toyo Sharda India (P) Ltd.	Joint Venture Companies
b) Toyota Boshoku Relan India (P) Ltd.	
a) Mr.N.D Relan (Co-Chairman)	Key Managerial Personnel
b) Mr.Ajay Relan (Managing Director)	
c) Mr. B Mitra (Executive Director)	
d) Mr. Udayan Banerjee (Executive Director)*	
e) Mr. Pradeep Rastogi (President - Legal & CFO)	
f) Mr. Nitin Vishnoi (Company Secretary)	

Name of the Related Party	Relationship
a) Mr.Rohit Relan	Relatives of Key Managerial Personnel
b) Mrs.Sharda Relan	
c) Mrs.Mala Relan	
d) Mrs.Ritu Relan	
e) Ms Aashita Relan	
f) Mr.Aashim Relan	
g) Mr.Rishabh Relan	
h) Mr.Pranav Relan	
i) Mr.Ayush Relan	
a) Sharda Enterprises	
b) N.D.Relan (HUF)	"Enterprises over which Key Managerial Personnel are able to Exercise significant influence"
c) Ajay Relan (HUF)	
d) Rohit Relan (HUF)	
e) Sharda Auto Solutions Pvt. Ltd.	
f) A.N.I Hospitality LLP	
g) Progressive Engineering & Automation Pvt. Ltd.	

\* Mr. Udayan Banerjee(Executive Director) holding his directorship till 30.09.2014

S.No	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
i)	Sales during the Year - Bharat Seats Ltd.	- (-)	29192.39 (21336.19)	- (-)	- (-)	- (-)
ii)	Loans taken during the year - N.D. Relan	- (-)	- (-)	- (-)	352.56 (453.86)	- (-)
	- Ajay Relan	- (-)	- (-)	- (-)	726.97 (1243.42)	- (-)
	- Rohit Relan	- (-)	- (-)	- (-)	- (-)	567.27 (987.25)
	- Sharda Relan	- (-)	- (-)	- (-)	- (-)	277.85 (461.75)
iii)	Loan repaid during the Year - N.D. Relan	- (-)	- (-)	- (-)	103.74 (89.29)	- (-)
	- Ajay Relan	- (-)	- (-)	- (-)	139.97 (622.50)	- (-)
	- Rohit Relan	- (-)	- (-)	- (-)	- (-)	110.06 (328.79)
	- Sharda Relan	- (-)	- (-)	- (-)	- (-)	14.73 (34.11)



S.No	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
iv)	Interest paid on loans during the Year					
	- N.D. Relan	-	-	-	149.27	-
		(-)	(-)	(-)	(126.80)	(-)
	- Ajay Relan	-	-	-	248.45	-
		(-)	(-)	(-)	(187.73)	(-)
	- Rohit Relan	-	-	-	-	264.58
		(-)	(-)	(-)	(-)	(214.98)
	- Sharda Relan	-	-	-	-	150.97
		(-)	(-)	(-)	(-)	(123.52)
v)	Rent paid during the Year Sharda Auto Solutions Pvt. Ltd.	-	-	45.84	-	-
		(-)	(-)	(7.64)	(-)	(-)
	-Sharda Relan	-	-	-	-	67.42
		(-)	(-)	(-)	(-)	(67.42)
	-Sharda Enterprises	-	-	148.31	-	-
		(-)	(-)	(148.31)	(-)	(-)
vi)	Remuneration paid					
	- N.D. Relan	-	-	-	228.79*	-
		(-)	(-)	(-)	(89.69)	(-)
	- Ajay Relan	-	-	-	273.68*	-
		(-)	(-)	(-)	(84.75)	(-)
	-U. Banerjee	-	-	-	14.38	-
		(-)	(-)	(-)	(30.13)	(-)
	-B. Mitra	-	-	-	12.42	-
		(-)	(-)	(-)	0.00	(-)
	-Sharda Relan	-	-	-	-	-
		(-)	(-)	(-)	(-)	(1.00)
	-Rohit Relan	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
vii)	Salary Paid					
	-Pradeep Rastogi	-	-	-	20.11	-
		(-)	(-)	(-)	(18.73)	(-)
	-Nitin Vishnoi	-	-	-	12.64	-
		(-)	(-)	(-)	(-)	(1.00)
	-Mala Relan	-	-	-	-	14.84
		(-)	(-)	(-)	(-)	(14.45)
	-Aashim Relan	-	-	-	-	24.67
		(-)	(-)	(-)	(-)	(24.26)
		(-)	(-)	(-)	(11.74)	(-)

S.No	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
viii)	Commission Paid					
	-Rohit Relan	-	-	-	-	17.00
		(-)	(-)	(-)	(-)	(9.00)
	-Sharda Relan	-	-	-	-	17.00
		(-)	(-)	(-)	(-)	(9.00)
ix)	Dividend Paid					
	- N.D. Relan	-	-	-	45.10	-
		(-)	(-)	(-)	(45.10)	(-)
	- Ajay Relan	-	-	-	78.54	-
		(-)	(-)	(-)	(78.54)	(-)
	- Nitin Vishnoi	-	-	-	0.10	-
		(-)	(-)	(-)	(-)	(-)
	-Sharda Relan	-	-	-	-	69.75
		(-)	(-)	(-)	(-)	(69.75)
	-Rohit Relan	-	-	-	-	42.88
		(-)	(-)	(-)	(-)	(42.88)
	-Aashim Relan	-	-	-	-	29.12
		(-)	(-)	(-)	(-)	(29.12)
	-Ayush Relan	-	-	-	-	10.40
		(-)	(-)	(-)	(-)	(10.40)
	-Pranav Relan	-	-	-	-	12.62
		(-)	(-)	(-)	(-)	(12.62)
	-Rishabh Relan	-	-	-	-	14.88
		(-)	(-)	(-)	(-)	(14.88)
	-Mala Relan	-	-	-	-	49.63
		(-)	(-)	(-)	(-)	(49.63)
	-Ritu Relan	-	-	-	-	74.25
		(-)	(-)	(-)	(-)	(74.25)
	-Aashita Relan	-	-	-	-	0.27
		(-)	(-)	(-)	(-)	(0.27)
	-Ajay Relan(HUF)	-	-	1.92	-	-
		(-)	(-)	(1.92)	(-)	(-)
	-ND Relan (HUF)	-	-	3.00	-	-
		(-)	(-)	(3.00)	(-)	(-)
	-Rohit Relan (HUF)	-	-	4.44	-	-
		(-)	(-)	(4.44)	(-)	(-)
x)	Sitting Fee Paid					
	-Sharda Relan	-	-	-	-	3.00
		(-)	(-)	(-)	(-)	(1.00)
	-Rohit Relan	-	-	-	-	0.80
		(-)	(-)	(-)	(-)	(0.80)
xi)	Sale of Fixed Assets					
	-Bharat Seats Limited	-	1052.84	-	-	-
		(-)	(-)	(-)	(-)	(-)

S.No	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
xii)	Expenses paid - A.N.I Hospitality LLP	- (-)	- (-)	1.36 (1.17)	- (-)	- (-)
xiii)	Advance Received from Customers Bharat Seats Limited (Tooling Advance)	- (-)	1098.80 (666.61)	- (-)	- (-)	- (-)
xiv)	Expenses Incurred on their behalf -Toyota Boshoku Relan India (P) Ltd.  -Toyo Sharda India (P) Ltd.	8.62 (-) 3.59 (-)	- (-) - (-)	- (-) - (-)	- (-) - (-)	- (-) - (-)
xv)	Advance Adjusted -Bharat Seats Limited	- (-)	1052.84 (-)	- (-)	- (-)	- (-)
xvi)	Purchase of Fixed Assets -Progressive Engineering & Automation Pvt. Ltd.	- (-)	11.10 (-)	- (-)	- (-)	- (-)
xvii)	Amount Written Back -Bharat Seats Limited  -Progressive Engineering & Automation Pvt. Ltd.	- (-) - (-)	- (9.80) - (2.56)	- (-) - (-)	- (-) - (-)	- (-) - (-)
xviii)	Investment In Shares Toyota Boshoku Relan India Pvt. Ltd.  Toyo Sharda India Pvt. Ltd.	75.00 (-) 0.50 (-)	- (-) - (-)	- (-) - (-)	- (-) - (-)	- (-) - (-)
xix)	Net Outstanding Balance payable / (Receivable) as on 31.03.2015 -Progressive Engineering & Automation Pvt. Ltd.  - N.D. Relan  - Ajay Relan  -U. Banerjee  -B. Mitra	- (-) - (-) - (-) - (-) -	- (-) - (-) - (-) - (-) -	11.10 (-) - (-) - (-) - (-) -	- (-) 1406.38 (1143.31) 2467.07 (1870.90) - (1.55) 1.31	- (-) - (-) - (-) - (-) -

S.No	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
		(-)	(-)	(-)	(-)	(-)
	-Pradeep Rastogi	-	-	-	1.59	-
		(-)	(-)	(-)	(1.51)	(-)
	-Nitin Vishnoi	-	-	-	1.17	-
		(-)	(-)	(-)	(1.06)	(-)
	-Rohit Relan	-	-	-	-	2584.50
		(-)	(-)	(-)	(-)	(2109.03)
	-Sharda Relan	-	-	-	-	1457.08
		(-)	(-)	(-)	(-)	(1185.12)
	-Mala Relan	-	-	-	-	0.88
		(-)	(-)	(-)	(-)	(0.46)
	-Aashim Relan	-	-	-	-	1.17
		(-)	(-)	(-)	(-)	(1.25)
xx)	Balance Receivable as on 31.03.2015					
	-Bharat Seats Limited	-	1406.17	-	-	-
		(-)	(1759.25)	(-)	(-)	(-)
	-Toyota Boshoku Relan India (P) Ltd.	8.62	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	-Toyo Sharda India (P) Ltd.	3.59	-	-	-	-
		(-)	(-)	(-)	(-)	(-)

\* Includes the arrear of Rs. 63.31 lacs and Rs. 108.57 lacs of FY 2013-14 paid to Shri N.D. Relan and Shri Ajay Relan respectively post Central Government approval.

**NOTE 28 : EARNINGS PER SHARE**

The numerators and denominators used to calculate the Earnings per Share:

Particulars	2014-15	2013-14
Profit/(Loss) attributable to Equity Shareholders (Rs.)- (A)	3,612.74	1,501.49
Basic/Weighted average number of Equity shares outstanding during the year - (B)	59.46	59.46
Nominal Value of Equity Shares (Rs.)	10	10
<b>Basic/Diluted earnings per share (Rs.) - (A/B)</b>	<b>60.76</b>	<b>25.25</b>

**NOTE 29 : CONTINGENT LIABILITIES AND COMMITMENTS**
**1. Contingent liabilities**

(a) Claims against the company not acknowledged as debts

	For the year ended March 31, 2015	For the year ended March 31, 2014
i) Disputed State Tax Matters	0.90	2.27
ii) Disputed Excise Matters	2.24	2.24
iii) Disputed Service Tax Matters	11.07	11.07
iv) Disputed Central Sales Tax Matters	10.74	-
v) Disputed Income Tax Matters	102.33	-
vi) Disputed Central Excise Matters	440.00	-
vii) Dispute with vendor	4.42	-

(b) Other money for which the company is contingently liable\* 1,351.33 1,784.98

**2. Commitments**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the Accounts, net of advance 990.62 1,669.88

**Total** **2,913.65** **3,470.44**

- i) Entry Tax of Rs. 0.90 Lacs (31st March, 2014: Rs. 2.27 lacs) for Financial Year 2001-02 against which the company has filed an appeal before Appellate Authority UP Trade Tax.
- ii) Matter related to Cenvat Credit of Rs. 2.24 Lacs (31st March, 2014: 2.24 Lacs) under Cenvat Credit Rules is pending before the Appellate Authority of LTU Delhi.
- iii) Service Tax of Rs. 11.07 Lacs (31st March, 2014: Rs. 11.07 Lacs) under Service Tax Rules which is pending before the Custom, Excise and Service Tax Appellate Tribunal, Delhi
- iv) Central Sales Tax of Rs.10.74 Lacs (31st March, 2014:Nil) for Financial Year 2008-09 which is pending before U.P. Sales Tax.
- v) Income Tax of Rs. 24.04, Rs.39.26 & Rs.39.03 Lacs (31st March, 2014: Nil) for Assessment Year 2004-05, 2009-10 & 2011-12 respectively against which appeal has been filed before ITAT, New Delhi.
- vi) Excise Tax of Rs.440 Lacs (31st March, 2014 :Nil) under Cenvat Credit Rules is pending before the Hon'ble Supreme Court of India.
- vii) Claim of Rs.4.42 lacs (31st March, 2014:Nil) for Financial Year 2014-15 which is pending before District Court, Saket.

\*Foreign Letters of Credit of Rs. 1,351.33 Lacs (31st March, 2014: Rs. 1,784.98 Lacs)

**NOTE 30 : Investments in Joint Ventures ( Disclosure as per Accounting Standard - 27 on Financial Reporting of Interest in Joint Ventures )**

S. No.	Name of Joint Venture	Description of Interest / (description of job)	Ownership Interest	Country of Residence
1	Toyota Boshoku Relan India Pvt. Ltd.	Jointly Controlled entity	50%	India
2	Toyo Sharda India Pvt. Ltd.	Jointly Controlled entity	50%	India

The Company's share of the assets, Liabilities, Income and expenditure of the Joint Venture (under jointly controlled entity) are as follows :

(Rupees in Lacs)

S. No.	Name of Jointly Controlled entities *	Company's Share			
		As at March 31, 2015		For the year 2014-15	
		Assets	Liabilities	Income	Expenses
1	Toyota Boshoku Relan India Pvt. Ltd.	0.50	46.30	-	46.30
		( - )	( - )	(-)	( - )
2	Toyo Sharda India Pvt. Ltd.	75.00	8.42	-	8.42
		( - )	( - )	(-)	( - )

\* The above disclosure for the year ended 31st March, 2015 is based on unaudited financial statements of the above mentioned Joint Venture entities as the audit of the said Joint Venture entities is yet to be concluded. The management is not expecting significant changes in the disclosure relating to asset, liability, income and expenses for the year ended as 31st March, 2015.

Notes :

- Figures in brackets ( ) relate to previous year
- Share of Contingent liabilities incurred in relation to interests in joint ventures as at 31st March, 2015 : Rs. NIL (31st March, 2014 Rs. NIL)
- Share of Capital Commitments incurred in relation to interests in joint ventures as at 31st March, 2015 : Rs. NIL (31st March, 2014 Rs. NIL)

#### NOTE 31

As per the requirements of sub section (5) of section 135 of the Companies Act, 2013 the Company was required to spend at least two per cent of its average net profits for the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) Policy. Accordingly, the Company had to spend a minimum of Rs. 59.44 Lacs during the current financial year towards CSR activities. During the current year, the Company has adopted a strategy whereby certain long term programmes will be undertaken by the Company for the social and economic welfare. As the process of evaluating and identifying specific programme is in progress, no amount was incurred on CSR during the year ended 31 March 2015.

#### NOTE 32

The Company has w.e.f. 01.04.2014, computed depreciation in accordance with the useful life of the fixed assets as per Schedule II of the Companies Act 2013. Consequently Depreciation charged for the year is higher by Rs. 351.43 Lacs and carrying value of assets amounting to Rs. 137.96 Lacs ( Net of Deferred Tax Rs. 66.26 Lacs ) after retaining the residual value, whose remaining useful life is NIL has been adjusted from the opening balance of retained earnings.

#### NOTE 33

In the opinion of the Board, the current assets, loans and advances are approximate of the value stated if realised in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

#### NOTE 34

The balances of debtors, creditors and loans and advances are awaiting confirmation.

#### NOTE 35

Figures are rounded off to nearest rupee in Lacs . Previous year figures has been re-grouped or re-classified where ever considered necessary.

For and on Behalf of  
the Board of Directors

**Pradeep Rastogi**  
President-Legal & CFO  
M.No. 085838

**N. D. Relan**  
Co-Chairman  
DIN 00240280

**Nitin Vishnoi**  
Company Secretary  
M. No. F3632

**Ajay Relan**  
Managing Director  
DIN 00257584

PLACE : New Delhi  
DATED : 26th May, 2015



**Note:**

1. Please read instructions given under Note to the Notice of 30th Annual General Meeting carefully before voting electronically.
2. Only members who have not updated their PAN with Company / Depository Participant shall use Sequence No. (printed on the attendance slip) in the PAN field.



## Sharda Motor Industries Limited

(CIN: L74899DL1986PLC023202)

**Registered Office:** D-188, Okhla Industrial Area, Phase I, New Delhi 110020

Website: [www.shardamotor.com](http://www.shardamotor.com)

Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676

Form No. MGT-11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We being the member(s) of Sharda Motor Industries Limited; holding..... shares of the above named company hereby appoint:

(1) Name:.....Address.....

E-mail id.....Signature.....or failing him;

(2) Name:.....Address.....

E-mail id.....Signature.....or failing him;

(3) Name:.....Address.....

E-mail id.....Signature.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held on Wednesday, the 26th August '2015 at 12.30 p.m. at Habitat World, India Habitat Centre, Lodhi Road, New Delhi-110003, India and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
1.	To receive, consider and adopt the financial statements for the year ended on 31st March' 2015 along with the reports of the Directors and Auditors thereon.
2	To declare a dividend for the financial year 2014-15.
3	To appoint a Director in place of Smt. Sharda Relan (holding DIN No.00252181) who retires by rotation and being eligible offers herself for re-appointment.
4	To appoint a Director in place of Shri R.P. Chowdhry (holding DIN No. 00337775) who retires by rotation and being eligible offers himself for re-appointment.
5	To Appoint Statutory Auditors and fix their remuneration
6	To ratify the remuneration of the Cost Auditors for the financial year 2015-16
7	Approval for entering into Related Party Transactions by the Company.

Signed this .....day of .....2015

Signature of shareholder .....

Signature of proxy holder(s) .....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory Statement and notes please refer to the Notice of 30th Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.

Affix Re  
1.00  
Revenue  
Stamp

## BOARD OF DIRECTORS



**N. D. RELAN**  
Co-Chairman



**KISHAN N. PARIKH**  
Chairman



**AJAY RELAN**  
Managing Director



**SHARDA RELAN**  
Director



**ROHIT RELAN**  
Director



**R. P. CHOWDHRY**  
Director



**O. P. KHAITAN**  
Director



**PROF. ASHOK KUMAR BHATTACHARYA**  
Director



**BIRESWAR MITRA**  
Executive Director



**SHARDA MOTOR INDUSTRIES LIMITED**

CIN: L74899DL1986PLC023202

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