



# 31<sup>st</sup> Annual Report 2015 - 16





**BOARD OF DIRECTORS**

KISHAN N PARIKH	Chairman
N. D. RELAN	Co-Chairman (ceased w.e.f. 2nd June, 2016)
AJAY RELAN	Managing Director & CEO
SHARDA RELAN	Director
ROHIT RELAN	Director
R. P. CHOWDHRY	Director
O. P. KHAITAN	Director (ceased w.e.f. 6th December, 2015)
PROF. ASHOK KUMAR BHATTACHARYA	Director
BIRESWAR MITRA	Executive Director
SATINDER KUMAR LAMBAH	Director

**PRESIDENT (LEGAL) & CFO**

PRADEEP RASTOGI

**VICE PRESIDENT & COMPANY SECRETARY** NITIN VISHNOI

**AUDITORS**
**STATUTORY AUDITORS**

M/S. S. R. DINODIA & CO. LLP  
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  
IDFC 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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**SHRI NARINDER DEV RELAN**

1929-2016

An inspiration for hard work and honesty.

## Managing Director's Message

Dear Valued Stakeholders,

Our founder Chairman Late Shri N.D. Relan left us for his heavenly abode on 2nd June, 2016 leaving behind his rich legacy and values. His principles will continue to inspire us in the future and will help us in tackling the problems in critical situations.

He may have left us, but at SMIL, we are committed to the future growth of the Company, in line with his vision and inspiration of trust, determination and excellence. We will take forward his abiding philosophy of doing work with the highest level of integrity and nurturing long term relationships with all the stakeholders.

To help the auto component industry, the government has announced various reforms in annual budgets, policies and programmes. Forward looking policy measures such as announcement of introduction of GST, consolidation of various exports schemes, simplification of procedures to help integrate India into the global value chain, improving ease of doing business index through online and e-governance interventions and reducing the transaction costs augur well for the industry.



Your Company has recorded growth in revenues, reserves and profits during the year under review. Continued growth in the shareholders' value and strong financial base are the key focus areas for the management.

Keeping in view the great contribution of our employees at all levels, I would like to thank them for their commitment and hard work and for achieving the milestones of excellence year after year. I also take this opportunity to offer sincere thanks to our valued customers, suppliers, Central and State Governments, local communities and contractors for their continuous support and assistance.

Vision of Late Shri N.D. Relan brought us to the threshold of the next phase of growth and returns. Now, our collective endeavour shall ensure it.

**NOTICE**

**NOTICE** is hereby given that the Thirty First (31st) Annual General Meeting (AGM) of the members of Sharda Motor Industries Limited will be held at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi- 110016, India, on **Wednesday, the 07th day of September, 2016** at 11:30 a.m. (IST) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2016 along with the reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend for the financial year 2015-16.
3. To appoint a director in place of Shri Bireswar Mitra (DIN 06958002) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Shri Rohit Relan (DIN 00257572) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s S. R. Dinodia & Co. LLP, Chartered Accountants (Registration No. 01478N / N500005), the retiring auditors of the Company, as Statutory Auditors of the Company, to hold office commencing from the conclusion of this AGM until the conclusion of the next AGM and to authorize the Board of Directors, to fix their remuneration for the period.

**SPECIAL BUSINESS:****6. TO APPOINT SHRI SATINDER KUMAR LAMBAH AS AN INDEPENDENT DIRECTOR**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Satinder Kumar Lambah (DIN: 07425155), who was appointed as an additional director of the Company by the Board of Directors w.e.f. 5th February, 2016, in terms of Section 161 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, and to hold office for a period of five consecutive years i.e. from 5th February, 2016 to 4th February, 2021.”

**7. TO RE-APPOINT SHRI AJAY RELAN AS MANAGING DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such consent, approvals and permissions as may be needed in this regard, approval of the shareholders do hereby accorded for the re-appointment of Shri Ajay Relan (DIN: 00257584) as Managing Director & CEO of the Company for a further period of five years with effect from 1st September, 2016 on payment of such remuneration and other benefits subject to tax deduction as per the Income Tax Act, as set out hereunder:

**Salary :** Rs 16,75,000/- per month in the range of Rs. 15,00,000 to Rs. 25,00,000 per month as may be agreed between the Board of Directors/ Nomination & Remuneration Committee and Shri Ajay Relan.

**Performance linked incentive/ Commission:** A performance linked incentive on quarterly/ half-yearly/ annual basis based on the performance parameters provided that the overall managerial remuneration shall not exceed the limit laid down in the Companies Act, 2013 and Schedules / Rules made thereunder, as decided by Nomination & Remuneration Committee/ Board and agreed by Shri Ajay Relan.

**Other Entitlements**

- a) Expenditure of Housekeeping including maintenance and insurance premium thereof.
- b) Children Education Expenditure.
- c) Medical Expenses for self & family including Premium of Medi-Claim Policy(ies).
- d) Leave Travel Concession for self & family as per the Company Rules.



- e) Clubs Membership Fees / expenses
- f) Personal Accident Insurance for self & family.
- g) Leave Encashment as per the Company Rules.
- h) Provision for company maintained chauffeur driven car
- i) Free Telephone, Fax and other communication facilities at Residence
- j) Company's Contribution towards Provident Fund, Pension Fund, and Superannuation Fund as per the Company Rules.
- k) Such other perquisites and allowances in accordance with the rules / policies of the Company or as may be agreed to by the Board of Directors and Shri Ajay Relan.

"Family means the Spouse, Dependent Children and Parents of the appointee."

**"FURTHER RESOLVED THAT** where in any financial year during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and other entitlements as specified above, subject to limits laid down in the Companies Act, 2013 and Schedules/ Rules made there under."

**"FURTHER RESOLVED THAT** the appointment may be terminated by either party by giving, in writing, to other party, three calendar months notice or lesser notice as may be agreed mutually."

**"FURTHER RESOLVED THAT** no further permission or consent of/ reference to the members shall be required for altering, varying and/ or increasing the remuneration of Shri Ajay Relan, Managing Director of the Company, by the Board of Directors/ Nomination and Remuneration Committee of the Company, provided that such alteration, variation and/ or increase shall be within the permissible ceiling limits as specified in the Companies Act, 2013 and Schedules and Rules made thereunder or within the limits approved by the Central Government, if required, as the case may be."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all necessary steps for Central Government approval, if required, and to do all such acts, deeds and things and execute all such documents instruments and writings as may be required and to delegate all or any of its powers herein offered to any committee of Directors or Director(s) to give effect to the aforesaid resolution."

#### 8. TO APPOINT SMT. SHARDA RELAN AS A WHOLE TIME DIRECTOR

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), and subject to such consent, approvals and permissions as may be needed in this regard, approvals of the shareholders do hereby accorded to the appointment of Smt. Sharda Relan (DIN: 00252181), as a Whole Time Director and Co-Chairperson of the Company for a period of five years with effect from 10th August, 2016 to 9th August, 2021 on payment of such remuneration and other perquisites subject to tax deduction as per the Income Tax Act, as set out hereunder:

**Salary :** Rs 17,25,000/- per month in the range of Rs. 15,00,000 to Rs. 25,00,000 per month as may be agreed between the Board of Directors/ Nomination & Remuneration Committee and Smt. Sharda Relan.

**Performance linked incentive/ Commission:** A performance linked incentive on quarterly/ half-yearly/ annual basis based on the performance parameters provided that the overall managerial remuneration shall not exceed the limit laid down in the Companies Act, 2013 and Schedules / Rules made thereunder, as decided by Nomination & Remuneration Committee/ Board and agreed by Smt. Sharda Relan.

#### Other Entitlements

- a) Expenditure of Housekeeping including maintenance and insurance premium thereof.
- b) Medical Expenses for self & family including Premium of Medi-Claim Policy(ies).
- c) Leave Travel Concession for self & family as per the Company Rules.
- d) Clubs Membership Fees / expenses
- e) Personal Accident Insurance for self & family.

- f) Leave Encashment as per the Company Rules.
- g) Provision for company maintained chauffeur driven car
- h) Free Telephone, Fax and other communication facilities at Residence
- i) Company's Contribution towards Provident Fund and Superannuation Fund as per the Company Rules.
- j) Such other perquisites and allowances in accordance with the rules/policies of the Company or as may be agreed to by the Board of Directors and Smt. Sharda Relan.

**"FURTHER RESOLVED THAT** where in any financial year during the currency of tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and other entitlements as specified above, subject to limits laid down in the Companies Act, 2013 and Schedules/ Rules made there under."

**"FURTHER RESOLVED THAT** the appointment may be terminated by either party by giving, in writing, to other party, three calendar months notice or lesser notice as may be agreed mutually."

**"FURTHER RESOLVED THAT** no further permission or consent of/ reference to the Members shall be required for altering, varying and/ or increasing the remuneration of Smt. Sharda Relan, Co-Chairperson of the Company, by the Board of Directors/ Nomination and Remuneration Committee of the Company, provided that such alteration, variation and/ or increase shall be within the permissible ceiling limits as specified in the Companies Act, 2013 and Schedules and Rules made thereunder or within the limits approved by the Central Government, if required, as the case may be."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all necessary steps for Central Government approval, if required, and to do all such acts, deeds and things and execute all such documents instruments and writings as may be required and to delegate all or any of its powers herein offered to any committee of Directors or Director(s) to give effect to the aforesaid resolution."

**9. TO RATIFY / APPROVE CONTINUATION OF EMPLOYMENT OF SHRI BIRESWAR MITRA AS A WHOLE TIME DIRECTOR**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to recommendation of Nomination & Remuneration Committee and Board of Directors of the Company and in accordance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), approval of the shareholders be and is hereby accorded for the continuation of employment of Shri Bireswar Mitra (DIN: 06958002) as a Whole Time Director (designated as Executive Director), who has attained the age of 70 years in March, 2016, upto expiry of his present term of office i.e. 2nd September, 2019 as approved by the members by way of special resolution passed through Postal Ballot on 18th November, 2014.

**"RESOLVED FURTHER THAT** the remuneration and other terms and conditions of appointment of Shri Bireswar Mitra shall remain unaltered as already approved by the shareholders by special resolution through Postal Ballot on 18th November, 2014."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents instruments and writings as may be required and to delegate all or any of its powers herein offered to any committee of Directors or Director(s) to give effect to the aforesaid resolution."

**10. TO RATIFY THE REMUNERATION TO BE PAID TO M/S. GURDEEP SINGH & ASSOCIATES, COST AUDITORS OF THE COMPANY**

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. 100,000/- (Rupees One Lac only) plus Service Tax as applicable and other out-of pocket expenses payable to M/s Gurdeep Singh & Associates, Cost Accountants, appointed by the Board of Directors of the Company to conduct the audit of cost records of the specified products (i.e. Accessories of Air conditioners, Parts of house hold & others and all types of Generator Parts) for the financial year 2016-17."



“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents instruments and writings as may be required and to delegate all or any of its powers herein offered to any committee of Directors or Director(s) to give effect to the aforesaid resolution.”

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

Dated : 10th August, 2016  
Place : New Delhi

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

**NOTES:**

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the Special Businesses set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) pertaining to the Directors proposed to be appointed/ re-appointed 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 Thursday, 01st September, 2016 to Wednesday, 07th September, 2016 (both days inclusive) for determining the entitlement of the shareholders to the final dividend for 2015-16, if declared at the AGM.
4. Subject to the provisions of the Companies Act, 2013, final dividend, if declared by the members at the Annual General Meeting, will be paid to those members, whose names appears on the Company’s Register of Members as on Wednesday, 31st August, 2016 i.e. record date; 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 Registrar and Transfer Agent, 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 Assignments 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 having any question on financial statements or any agenda item proposed in the notice of AGM are requested to send their queries at an early date to enable the management to keep the relevant 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 re-enactment 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 IEPF
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
31.03.2015	26.08.2015	24.09.2022
31.03.2016	05.02.2016*	03.03.2023

\* Interim Dividend

11. The Notice of the AGM along with the Annual Report 2015-16 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. Annual Report and Notice is also available on Company's website [www.shardamotor.com](http://www.shardamotor.com)
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, Secretarial Standard-2 and Listing Regulations, 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 Form and Physical Form
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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. In case the sequence number is less than 8 digits, enter the applicable number of zeros (0s) 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
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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. 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).

- (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) Shareholders can cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google play store.
  - (xvii) 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. (xvii) 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) The Remote e-voting period commences on Sunday, 04th September, 2016 (09:00 a.m. IST) and ends on Tuesday, 06th September, 2016 (05:00 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, 31st August, 2016 (the "Cut Off Date") may cast their vote electronically, and 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.
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, 31st August, 2016 (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 the 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 whole time 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 results of the voting on resolutions shall be declared by the Chairman or any other person authorised by him in writing after the AGM within the prescribed time limits. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. [www.shardamotor.com](http://www.shardamotor.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com) and will be communicated to the stock exchanges, 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 01:00 p.m. on all working days i.e. Monday to Friday up to the date of AGM and will also be available for inspection at the meeting.
21. **INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARD-2:**

As required under Listing Regulations and Secretarial Standard-2, the particulars of Directors who are proposed to be re-appointed are furnished below:

Particulars	Shri Ajay Relan	Shri Bireswar Mitra	Shri Rohit Relan	Smt. Sharda Relan	Shri Satinder Kumar Lambah
<b>Date of Birth (Age)</b>	03 <sup>rd</sup> December, 1961 (54 years)	08 <sup>th</sup> March, 1946 (70 years)	02 <sup>nd</sup> July, 1955 (61 years)	11 <sup>th</sup> August, 1935 (80 years)	16 <sup>th</sup> July, 1941 (75 years)
<b>Nationality</b>	Indian	Indian	Indian	Indian	Indian
<b>Date of first Appointment</b>	29 <sup>th</sup> January, 1986	07 <sup>th</sup> August, 2014	25 <sup>th</sup> May, 1991	29 <sup>th</sup> January, 1986	05 <sup>th</sup> February, 2016
<b>Qualification</b>	B.Com (Hons.), Owner President Management Programme (Harvard Business School, USA)	B.Tech (Mechanical Engineering) from IIT Kharagpur	FCA, OPM, USA	Graduate	M.A.
<b>Experience or expertise in specific functional area</b>	Business Management	Operations & Manufacturing	Accounts, Finance, Business Management & Capital Market	Corporate Management	Economics
<b>Terms &amp; conditions of appointment/ re-appointment</b>	As per the respective resolution, provisions of Companies Act, 2013 and Nomination and Remuneration Policy of the Company	As per the provisions of Companies Act, 2013 and Nomination and Remuneration Policy of the Company	As per the provisions of Companies Act, 2013 and Nomination and Remuneration Policy of the Company	As per the respective resolution, provisions of Companies Act, 2013 and Nomination and Remuneration Policy of the Company	As per provisions of Companies Act, 2013 and appointment letter given to him
<b>Directorships held in other companies in India</b>	1. Bharat Seats Limited 2. Relan Industrial Finance Limited 3. Progressive Engineering And Automation Private Limited 4. Sharda Inoac Private Limited 5. Toyota Boshoku Relan India Private Limited 6. Toyo Sharda India Private Limited	None	1. Bharat Seats Limited 2. Relan Industrial Finance Limited 3. Progressive Engineering And Automation Private Limited 4. Sharda Inoac Private Limited 5. Toyota Boshoku Relan India Private Limited 6. Toyo Sharda India Private Limited	1. Bharat Seats Limited 2. Relan Industrial Finance Limited 3. Sharda Auto Solutions Private Limited	None
<b>Chairman/ Member of Committee of the Board of other public companies in which they are director</b>	None	None	None	None	None

Details regarding inter-se relationship between directors, shareholding in Sharda Motor Industries Limited, no. of board meetings attended during the year and remuneration last drawn for the above directors are provided in the Corporate Governance Report for financial year 2015-16 forming part of the Annual Report.

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

Date : 10th August, 2016  
Place : New Delhi

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

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 6**

On the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on 05th February, 2016 appointed Shri Satinder Kumar Lambah as an additional director under section 161(1) of the Companies Act, 2013 and as an independent director of the Company for five consecutive years under section 149(6) of Companies Act, 2013 and Listing Regulations. His appointment is subject to the approval of the shareholders in the forthcoming Annual General Meeting. The Company has received a notice along with a cheque of Rs. 1 Lac from a member proposing his candidature as an independent director of the Company.

Shri Satinder Kumar Lambah does not hold by himself or through his relatives any shares in the Company. Shri Lambah has given a declaration that he meets the criteria of Independence as provided under section 149(6) of the Companies Act, 2013 and Regulation 16(b) of Listing Regulations.

In the opinion of the Board, Shri Satinder Kumar Lambah fulfills the conditions specified in the Companies Act, 2013 and Listing Regulations as an independent director. Copy of letter for appointment of Shri Satinder Kumar Lambah is available for inspection at the registered office of the Company. Terms and conditions of appointment of independent directors are also available on the website of the Company i.e. [www.shardamotor.com](http://www.shardamotor.com).

Shri Satinder Kumar Lambah currently Chairman, Ananta Aspen Centre, has been Ambassador of India to Hungary, Germany, Russia and High Commissioner to Pakistan. He was Deputy Secretary General of the 7th Non Aligned Summit held in Delhi and later Coordinator of the Commonwealth Heads of Governments meeting in India (1983). His specialization includes dealing with India's neighbours and Economic Diplomacy. He opened the Indian Embassy in Bangladesh after liberation and has a long experience in dealing with Pakistan and Afghanistan. He has been involved in many successful economic ventures. For instance, the breakthrough in export of Tobacco, and sale of Indian Scooters took place when he was head of the commercial section in the Embassy of India in Italy. The first Export of an Indian Car (Maruti Car) and Iron ore Pellets took place when he was Ambassador in Hungary. India's largest investment abroad, ever up to that time, of over \$2 billion in Sakhalin-I was made in 2001 when he was Ambassador in Russia for which he was conferred the Urja Sangam (Energy Security Award) by the Government of India.

After retirement from the Indian Foreign Service he has been Special Envoy to the Prime Minister of India (Rank of Minister of State from 2010 onwards), Co-Chairman of the Task Force on National Security, President of Association of Indian Diplomats, Convener of the National Security Advisory Board (NSAB), President of the Federation of Indo-German Societies in India, Special Envoy of the Government of India for Afghanistan (led the Indian delegation to the Bonn Conference on Afghanistan). He also chaired a Committee on the Re-organization of Ministry of External Affairs and Indian Missions abroad.

None of the Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out in item no. 6, except Shri Satinder Kumar Lambah.

The Board recommends the appointment of Shri Satinder Kumar Lambah as Independent Director not liable to retire by rotation and proposes to pass the resolution set out in item no. 6 of the notice as an Ordinary Resolution.

### **Item No. 7**

Shri Ajay Relan was appointed as Managing Director of the Company w.e.f. 01st September, 2011 for a consecutive period of five years in the 26th Annual General Meeting of the Company on 08th August, 2011. The present tenure of Shri Ajay Relan as a managing director is getting expired on 31st August, 2016.

Keeping in view that Shri Ajay Relan has rich and varied experience in the industry and has been involved in the operations of the Company since a long time, it would be in the best interest of the Company to appoint Shri Ajay Relan as managing director of the Company for a further period of five years.

On the recommendation of Nomination and Remuneration Committee and subject to the approval of shareholders, Board has approved the re-appointment of Shri Ajay Relan in its meeting held on 27th May, 2016, on such remuneration and on such terms & conditions as mentioned in the proposed resolution herein under item no. 7.

None of the directors and key managerial personnel and their relatives is interested in the above said resolution, except Shri Ajay Relan, himself, Smt. Sharda Relan and Shri Rohit Relan.

The Board of Directors of your company, therefore, recommends the passing of ordinary resolution as set out under item no. 7 of the notice.

**Item No. 8**

Smt. Sharda Relan is a non-executive non-independent director of the Company since the incorporation i.e. 29th January, 1986. Due to the sad demise of Shri N.D. Relan, Co-Chairman of the Company, it was felt desirable to appoint her as wholetime Director of the Company w.e.f. 10th August, 2016.

The Board of directors is of the view that the appointment of Smt. Sharda Relan, who is above 70 years, as Whole Time Director of the Company will be beneficial to the operations of the Company. Her varied experience over such a long period has resulted into a wide and deep understanding of business of the Company. The remuneration payable to her is commensurate with her abilities and experience.

On the recommendation of Nomination and Remuneration Committee and subject to the approval of shareholders, Board has approved the appointment of Smt. Sharda Relan as a Whole Time Director and co-chairperson of the Company in its meeting held on 10th August, 2016, on such remuneration and on such terms & conditions as mentioned in the proposed resolution herein under item no. 8.

None of the directors and key managerial personnel and their relatives is interested in the above said resolution, except Smt. Sharda Relan, herself, Shri Ajay Relan and Shri Rohit Relan.

The Board of Directors of your company, therefore, recommends the passing of resolution as set out under item no. 8 of the notice as a special resolution.

**Item No. 9**

On the recommendation of Nomination & Remuneration Committee, Board of Directors of the Company appointed Shri Bireswar Mitra as a Whole Time Director designated as Executive Director of the Company in September, 2014, which was subject to the approval of shareholders. Further shareholders also approved his appointment by way of special resolution passed through Postal Ballot on 18th November, 2014.

Section 196(3) of the Companies Act, inter alia, provides that no company shall appoint or continue the employment of a person who has attained the age of 70 years as Managing Director, Whole Time Director or Manager unless it is approved by the members by passing a special resolution along with explanatory statement giving justification of such appointment.

Board is of the view that Shri Bireswar Mitra, who has attained the age of 70 years in March, 2016, has a rich and varied experience in the industry and is involved in the operations of the Company over a long period of time, and it would be in the best interest of the Company to continue his employment as Whole Time Director of the Company.

Accordingly, the Board seeks the approval of the members for continuation of employment of Shri Bireswar Mitra through special resolution as set out in item no. 9. A brief profile of Shri Bireswar Mitra, as stipulated in Listing Regulations and Secretarial Standard-2 is forming part of this notice.

None of the directors and key managerial personnel of the Company or their relatives except Shri Bireswar Mitra himself is concerned or interested in the above said resolution.

The Board of Directors of your company, therefore, recommends the passing of special resolution as set out at item no. 9 of the notice.

**Item No. 10**

The Board had on 27th May, 2016, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Gurdeep Singh & Associates, the Cost Auditors to conduct the audit of cost records of the specified products (i.e. Accessories of Air conditioners, Parts of house hold & others and all types of Generator Parts) at a remuneration of Rs. 100,000 (Rupees One Lac only) plus Services Tax as applicable and other out-of pocket expenses for the financial year 2016-17.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2016-17 by way of an ordinary resolution is being sought from the members as set out at item no.10 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 10.

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

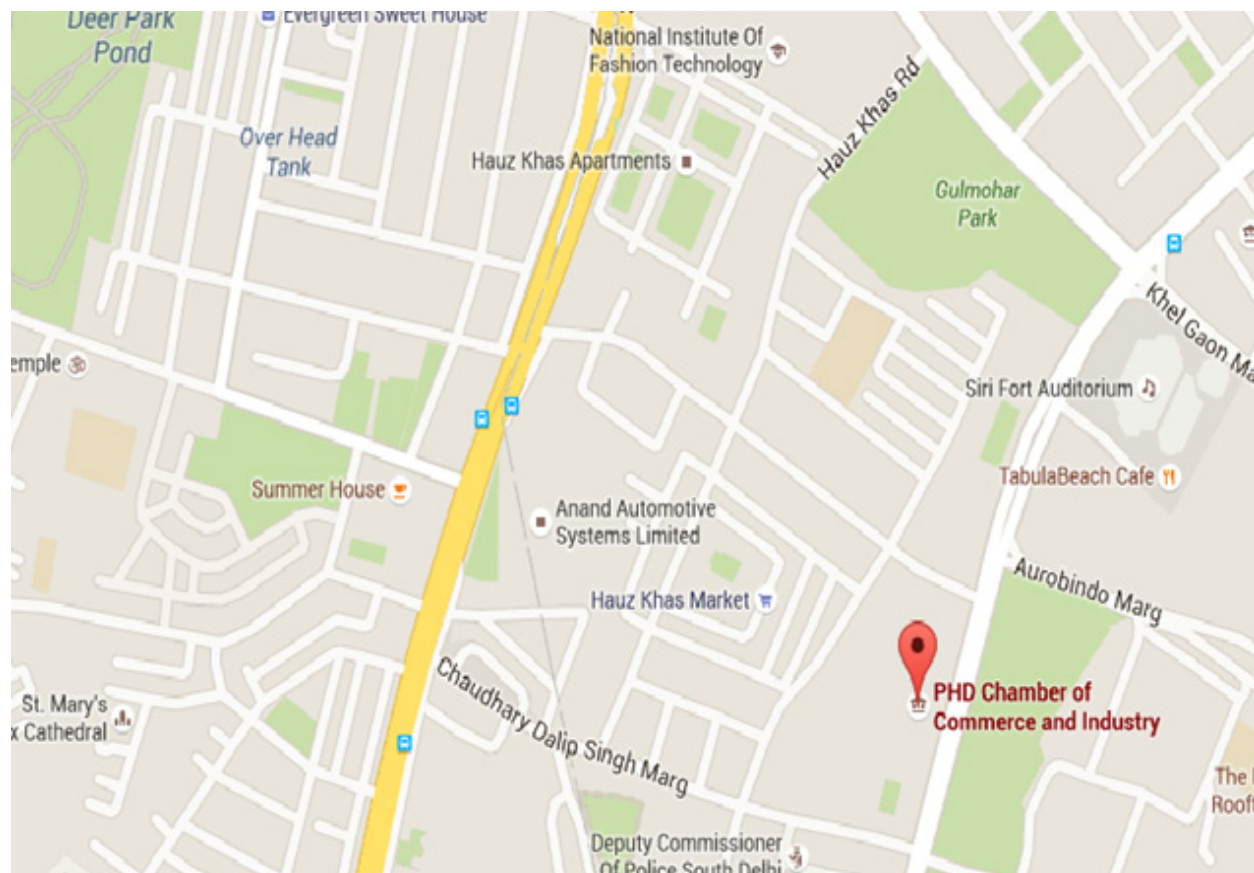
By Order of the Board  
For **SHARDA MOTOR INDUSTRIES LTD.**

Date : 10th August, 2016  
Place : New Delhi

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



**Road map to the venue of the AGM**



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty First (31st) Directors' Report on the business and operations of the Company together with the financial statements for the financial year ended on 31st March, 2016.

### FINANCIAL SUMMARY

(Rs. in Lacs)

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Revenue from operations	92,684.70	87,454.21
Other Income	1,405.12	980.36
<b>Total Revenue</b>	<b>94,089.82</b>	<b>88,434.57</b>
Profit before Financial Charges, Depreciation	11,036.54	10,130.00
Less : Financial Costs	1,213.19	1,486.15
<b>Profit before Depreciation &amp; Taxes</b>	<b>9,823.35</b>	<b>8,643.85</b>
A. Depreciation	4,421.52	5,200.49
B. Exceptional items	357.43	-
Taxation		
– Current Tax	1,730.00	276.00
– Deferred Tax Charged/ (Released)	(38.02)	(445.38)
– Adjustments for earlier years	(69.98)	
<b>Net Profit after Tax</b>	<b>3422.40</b>	<b>3612.74</b>
Add: Profit brought forward from Previous year	1,518.37	1,758.54
Profit available for appropriation	4,940.77	5,371.28
<b>APPROPRIATIONS</b>		
Proposed Dividend	371.65	297.32
Tax on Proposed Dividend	75.67	60.87
Interim Dividend	371.65	297.32
Tax on Interim Dividend	75.67	59.45
Transferred to General Reserves	2,600.00	3,000.00
Depreciation Adjustment as per Schedule II of Companies Act, 2013	-	137.95
Balance carried forward to Balance Sheet	1,446.13	1,518.37

### OPERATIONAL PERFORMANCE

During the year under review, the gross revenue from operations and other income was Rs. 94089.82 Lacs as against Rs. 88434.57 Lacs of previous year. Profit before taxation has increased from Rs. 3443.36 Lacs to Rs. 5044.40 Lacs during the year. Finance cost has been reduced to Rs. 1213.19 Lacs from Rs. 1486.15 Lacs.

### DIVIDEND

Your directors are pleased to recommend a final dividend of Rs. 6.25/- per equity share for the year ended 31st March, 2016 out of the current year's profits, in addition to the Interim Dividend of Rs. 6.25/- per equity share i.e. 62.5% already paid for the year, thus making a total Dividend to Rs. 12.50/- per equity share i.e. 125% on the paid up equity shares Rs. 10/- each.

Final dividend of Rs. 6.25/- per equity share, if approved at the ensuing Annual General Meeting, shall be paid out of the profits of the Company to those share holders whose name appear in the Register of Members on 31st August, 2016.

The cash outflow on account of dividend including interim dividends on equity share capital will be Rs. 894.64 Lacs including dividend tax of Rs. 151.34 Lacs.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The existing composition of the Board is fully in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

It is said to inform that Shri O.P. Khaitan (DIN: 00027798) ceased to be a director of the Company due to his sad demise on 6th December, 2015. Board placed on record its sincere appreciation for the contributions made by him during his tenure on the Board.

Pursuant to Companies Act, 2013 and Listing Regulations, Shri Satinder Kumar Lambah (DIN: 07425155) was appointed as an additional director designated as independent director of the Company on 05th February, 2016. His appointment is subject to the approval of shareholders in the ensuing Annual General Meeting.

Further, all the independent directors have given a declaration confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations.

Pursuant to section 152 of the Companies Act, 2013, Shri Bireswar Mitra (DIN: 06958002) and Shri Rohit Relan (DIN:00257572), directors of the Company are liable to retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

As per the resolution passed by the Company in 26th Annual General Meeting of the Company, tenure of Shri Ajay Relan (DIN:00257584), Managing Director of the Company is completing on 31st August, 2016. It is desired to re-appoint Shri Ajay Relan as the Managing Director & CEO of the Company for a further period of five years. Terms and Conditions of his appointment and remuneration structure are mentioned in the Notice of the Annual General Meeting forming part of this Annual Report.

A brief profile of the above mentioned directors seeking appointment/ re-appointment at the ensuing Annual General Meeting of the Company has been provided in the Notice of the said meeting. Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Shri Ajay Relan, Managing Director & Chief Executive Officer, Shri Pradeep Rastogi, Chief Financial Officer and Shri Nitin Vishnoi, Company Secretary. There has been no change in the key managerial personnel.

Number of Board & committee meetings including the date of the meeting and attendance thereof by each director during the year is given in 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 Listing requirements.

The performance of the Board was evaluated 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 next board meeting held after the meeting of the independent directors, at which the performance of the Board, its committees and individual directors was also discussed.

#### **NOMINATION REMUNERATION & EVALUATION POLICY**

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**

During the year under review, Audit Committee was re-constituted due to the sad demise of Shri O.P. Khaitan and appointment of Shri Satinder Kumar Lambah on 5th February, 2016. Audit Committee comprises of three members out of which two are independent directors and one is non-executive director. Shri Kishan N Parikh is the Chairman of the Committee. All three members of committee have adequate financial & accounting knowledge and background. Detailed information regarding the number of committee meetings, terms of reference etc. are provided in the Corporate Governance Report forming part of this annual report.

#### **AUDITORS**

##### **Secretarial Auditors**

The Board has appointed M/s. Vineet K. Chaudhary & Co. (Company Secretaries in practice holding CP. No 4548) to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**Statutory Auditors**

M/s. S.R. Dinodia & Co. LLP, Chartered Accountants (Registration No. 01478N/N500005), Statutory Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer 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 have recommended the re-appointment of M/s. S.R. Dinodia & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company to hold office from the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting 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**

Based on the recommendation of audit committee, M/s Gurdeep Singh & Associates, Cost Accountants (holding M/ No. 9967), being eligible have been re-appointed by the Board as the Cost Auditors of the Company for the financial year 2016-17 subject to ratification of remuneration by the members in the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their re-appointment 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**

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.

In accordance with Section 135 of the Companies Act, 2013, your company has in place a Corporate Social Responsibility Committee. Details of composition of Committee, no. of meetings, attendance at the meeting are provided in Corporate Governance Report forming part of this annual report. Corporate social responsibility policy of the company is available on the website of the Company ([www.shardamotor.com](http://www.shardamotor.com))

As per the requirements of section 135 of the Companies Act, 2013, the Company is 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 was required to spend a minimum of Rs. 62.22 Lacs during the current financial year towards CSR activities.

As informed earlier, the Company was in process of evaluating and identifying the specific programmes in which it can spend CSR funds allocated for the purpose. During the financial year 2015-16, company has evaluated various sectors and areas for spending the funds.

During the year, Company has set up a trust exclusively for the purpose of CSR activities with the name and style of "Sharda CSR Foundation Trust". Objectives of the trust are in line with Schedule VII of the Companies Act, 2013. In terms of Section 135 and rules made thereunder an annual report on CSR activities, expenditure, committee composition etc. is provided as **Annexure III** to the Director's 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**

The particulars of Loans, guarantees and investments have been disclosed in the financial statements.

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

The particulars of contracts or arrangements with related parties in **Form AOC – 2** are appended as **Annexure VIII** forming part of this report.

**CORPORATE GOVERNANCE**

We strive to attain high standards of corporate governance while dealing with all our stakeholders. The “Report on Corporate Governance” forms an integral part of this report and is set out as separate section to this annual report. The certificate of M/s. S.R. Dinodia & Co. LLP, Chartered Accountants, the statutory auditors of the Company certifying compliance with the conditions of corporate governance as stipulated under Listing Regulations 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 Listing Regulations is presented in a separate section forming part of this Annual Report.

**VIGIL MECHANISM**

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

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public covered under chapter V of the Companies Act, 2013 during the year under review and no amount was outstanding as on the date of Balance Sheet.

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

No material changes and commitments, which affects the financial position of the Company have occurred between the end of the financial year under review 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.

**SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

During the year under review, there is no change in the status of subsidiary/ joint ventures/ associate companies. A statement in form **AOC-1**, containing the salient features of the financial statements of the joint Ventures/ Associate Companies is provided as **Annexure IX**.

**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”). During the year, the Company has conducted an awareness programme against the sexual harassment. 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 31st March, 2016 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.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this annual report.

**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., Cummins Power Generation, M/ s. Tata Motors Ltd., and M/s. Bharat Seats Ltd.

Your Directors also extend their appreciation to Yes Bank Limited, ICICI Bank Limited, State Bank of India, Punjab National Bank, Citi Bank, IDFC 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 Limited**

Date : 27th May, 2016  
Place : New Delhi

Sharda Relan  
Director  
(DIN: 00252181)

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 Regulations 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 needs 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 are shared with the Nomination and Remuneration Committee for their review and suggestions. The same is shared with the Board at the next Board Meeting. Appointment of KMP is 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 giving 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 Central Government, wherever required.

Increments to the existing Remuneration structure of the Whole-time Director/Executive/ Managing Director is 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**

[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**  
CIN L74899DL1986PLC023202  
D-188, Okhla Industrial Area Phase-I,  
New Delhi - 110020 India.

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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2016 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 the Company for the financial year ended on March 31, 2016 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 (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not Applicable
  - (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable
  - (g) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; - Not Applicable
  - (h) 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;
  - (i) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; - Not Applicable
  - (j) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998; - Not Applicable
- (vi) The Company has identified following laws specifically applicable on the Company: -
  - 1. The Industrial (Development and Regulations) Act, 1951;
  - 2. The Factories Act, 1948;
  - 3. Environment (Protection) Act, 1986;
  - 4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned State Rules;
  - 5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned State Rules;
  - 6. Hazardous Wastes (Management and Handling) Rules, 1989;
  - 7. Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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 has been 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, if any, 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) The Company has received listing and trading approval from National Stock Exchange of India Limited for its equity shares with effect from September 03, 2015.
- (ii) During the audit period, the Company has entered into a new related party transaction for which shareholders' approval has been ensured by passing of resolution through Postal Ballot as on April 21, 2016.

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

**Vineet K Chaudhary**

FCS No. 5327

C P No. 4548

Place : Noida

Date : May 27, 2016

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  
CIN L74899DL1986PLC023202  
D-188, Okhla Industrial Area Phase-I,  
New Delhi - 110020 India.

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.
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 27, 2016

**ANNEXURE III**
**ANNUAL REPORT ON CSR ACTIVITIES**

- 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 promotion of education and child healthcare.

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

- The Composition of the CSR Committee:**

Members of the committee are:

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

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

Rs. 3111.21 Lacs

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

Rs. 62.22 Lacs

- Details of CSR spent during the financial year:**

- Total Amount to be spent for the financial year: **Rs. 62.22 Lacs**
- Amount unspent: **Rs. 52.22 Lacs**
- Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent. Direct or through implementing agency
1	Sharda CSR Foundation Trust	Promoting Education; Health & Sanitation	Local Area, Delhi	5 Lacs	5 Lacs	5 Lacs	Sharda CSR Foundation Trust
2	Pediatric Dialysis Centre	Health	Local Area, Delhi	5 Lacs	5 Lacs	5 Lacs	Rotary Club of Delhi Southend
3	Infrastructure Development of Hindu College*	Promoting Education	Local Area, Delhi	15 Lacs	15 Lacs	15 Lacs	Direct

\*Company has spent this amount after the closure of the financial year, may not reflect in the financial statements of the Company.

- In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.**

Company is in process of evaluating areas where its funds can be used towards the maximum betterment of society. In its quest for the same, Company has identified some areas and has spent the amount therein. Company has also established a CSR trust for the exclusive purpose of spending in CSR activities. However, Company could not spend entire amount which was allocated to be spent but in the coming year/s through extensive research will fulfill its corporate social responsibility.

- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.**

CSR Committee of the Company certifies that all the CSR expenditure. Programmes are line with the objectives set in the CSR policy of the Company.

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

**N.D. Relan**  
Co-Chairman and Chairman of CSR Committee  
(DIN: 00240280)



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

As on the financial year ended on 31st March, 2016  
[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, Fax: +91-11-26811676 Email: investorrelations@shardamotor.com Website: www.shardamotor.com
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. Phone: 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	28%
3	Other	-	4%
	<b>Total</b>		<b>100%</b>

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

SI. No.	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	47.12%	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. (i) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR i.e. 01.04.2015				NO. OF SHARES HELD AT THE END OF THE YEAR i.e 31.03.2016				% 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	4456893	0	4456893	74.95	-0.04
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	
Bodies Corporate	0	0	0	0	0	0	0	0	
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	
<b>Sub Total(A)(1)</b>	<b>4458556</b>	<b>0</b>	<b>4458556</b>	<b>74.98</b>	<b>4456893</b>	<b>0</b>	<b>4456893</b>	<b>74.95</b>	<b>-0.04</b>
<b>Foreign</b>				0				0	
Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	
Bodies Corporate	0	0	0	0	0	0	0	0	
Institutions	0	0	0	0	0	0	0	0	
Any Others	0	0	0	0	0	0	0	0	
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>4458556</b>	<b>0</b>	<b>4458556</b>	<b>74.98</b>	<b>4456893</b>	<b>0</b>	<b>4456893</b>	<b>74.95</b>	<b>-0.04</b>
<b>Public shareholding</b>									
<b>Institutions</b>									
Mutual Funds/ UTI	0	0	0	0	0	0	0	0	
Financial Institutions / Banks	38228	0	38228	0.64	0	0	0	0	-100.00
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	
Venture Capital Funds	0	0	0	0	0	0	0	0	
Insurance Companies	0	0	0	0	0	0	0	0	
Foreign Institutional Investors	0	0	0	0	0	0	0	0	
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	
<b>Sub-Total (B)(1)</b>	<b>38228</b>	<b>0</b>	<b>38228</b>	<b>0.64</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100.00</b>
<b>Non-institutions</b>									
Bodies Corporate	226769	1850	228619	3.84	277904	1850	279754	4.70	22.37
Individuals									

Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	261371	114116	375487	6.31	338380	88106	426486	7.17	13.58
Individual -ii Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	697530	142500	840030	14.13	669955	108300	778255	13.09	-7.35
Any Other									
NBFC	0	0	0	0.00	2510	0	2510	0.04	100.00
Clearing Members	5211	0	5211	0.09	0	0	0	0.00	-100.00
NRI	195	0	195	0	2428	0	2428	0	1145.13
<b>Sub-Total (B)(2)</b>	<b>1191076</b>	<b>258466</b>	<b>1449542</b>	<b>24.38</b>	<b>1291177</b>	<b>198256</b>	<b>1489433</b>	<b>25.05</b>	<b>2.75</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1229304</b>	<b>258466</b>	<b>1487770</b>	<b>25.02</b>	<b>1291177</b>	<b>198256</b>	<b>1489433</b>	<b>25.05</b>	<b>0.11</b>
<b>TOTAL (A)+(B)</b>	<b>5687860</b>	<b>258466</b>	<b>5946326</b>	<b>100.00</b>	<b>5748070</b>	<b>198256</b>	<b>5946326</b>	<b>100.00</b>	<b>0.00</b>

**IV.(ii) SHAREHOLDING OF PROMOTERS**

S.N.	Name of the Promoter	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	0.00
2	RITU RELAN	742520	12.49	0	742520	12.49	0	0.00
3	SHARDA RELAN	697520	11.73	0	697520	11.73	0	0.00
4	MALA RELAN	496260	8.35	0	496260	8.35	0	0.00
5	NARINDER DEV RELAN	450960	7.58	0	450960	7.58	0	0.00
6	ROHIT RELAN	428818	7.21	0	428818	7.21	0	0.00
7	AASHIM RELAN	291200	4.90	0	300900	5.06	0	0.16
8	RISHABH RELAN	148800	2.50	0	158500	2.67	0	0.16
9	PRANAV RELAN	126200	2.12	0	128950	2.17	0	0.05
10	AYUSH RELAN	104000	1.75	0	104000	1.75	0	0.00
11	ROHIT RELAN (HUF)	44400	0.75	0	44400	0.75	0	0.00
12	NARINDER DEV RELAN (HUF)	30000	0.50	0	30000	0.50	0	0.00
13	AJAY RELAN (HUF)	19200	0.32	0	19200	0.32	0	0.00
14	AASHITA RELAN	2700	0.05	0	5450	0.09	0	0.05
15	RAM PRAKASH CHOWDHRY	600	0.01	0	600	0.01	0	0.00
16	INDIRA CHOWDHRY	90000	1.51	0	63437	1.07	0	-0.45
	<b>TOTAL</b>	<b>4458556</b>	<b>74.98</b>	<b>0</b>	<b>4456893</b>	<b>74.95</b>	<b>0</b>	

**IV (iii) CHANGE IN PROMOTERS' SHAREHOLDING**

S.No.	Name of the Promoter	Shareholding at the beginning of the year(01/04/2015/end of the year (31/03/2016)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cummulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	Ajay Relan (HUF)	19200	0.32%	1-Apr-15	0	No Transaction		
		19200	0.32%	31-Mar-16			19200	0.32%
2	Narinder Dev Relan (HUF)	30000	0.50%	1-Apr-15	0	No Transaction		
		30000	0.50%	31-Mar-16			30000	0.50%
3	Rohit Relan (HUF)	44400	0.75%	1-Apr-15	0	No Transaction		
		44400	0.75%	31-Mar-16			44400	0.75%
4	Ram Prakash Chowdhry	600	0.01%	1-Apr-15	0	No Transaction		
		600	0.01%	31-Mar-16			600	0.01%
5	Rohit Relan	428818	7.21%	1-Apr-15	0	No Transaction		
		428818	7.21%	31-Mar-16			428818	7.21%
6	Ajay Relan	785378	13.21%	1-Apr-15	0	No Transaction		
		785378	13.21%	31-Mar-16			785378	13.21%
7	Indira Chowdhry	90000	1.51%	1-Apr-15				
				10-Apr-15	2707	Sale	87293	1.47%
				24-Apr-15	707	Sale	86586	1.46%
				1-May-15	2000	Sale	84586	1.42%
				8-May-15	1500	Sale	83086	1.40%
				15-May-15	2500	Sale	80586	1.36%
				5-Jun-15	500	Sale	80086	1.35%
				12-Jun-15	2500	Sale	77586	1.30%
				19-Jun-15	1500	Sale	76086	1.28%
				26-Jun-15	4450	Sale	71636	1.20%
				30-Jun-15	550	Sale	71086	1.20%
				3-Jul-15	2000	Sale	69086	1.16%
				10-Jul-15	2000	Sale	67086	1.13%
				17-Jul-15	500	Sale	66586	1.12%
				24-Jul-15	500	Sale	66086	1.11%
				27-Nov-15	1500	Sale	64586	1.09%
				11-Dec-15	500	Sale	64086	1.08%
				8-Jan-16	649	Sale	63437	1.07%
		63437	1.07%	31-Mar-16			63437	1.07%

8	Mala Relan	496260	8.35%	1-Apr-15	0	No Transaction		
		496260	8.35%	31-Mar-16			496260	8.35%
9	Ritu Relan	742520	12.49%	1-Apr-15	0	No Transaction		
		742520	12.49%	31-Mar-16			742520	12.49%
10	Narinder Dev Relan	450960	7.58%	1-Apr-15	0	No Transaction		
		450960	7.58%	31-Mar-16			450960	7.58%
11	Sharda Relan	697520	11.73%	1-Apr-15	0	No Transaction		
		697520	11.73%	31-Mar-16			697520	11.73%
12	Aashita Relan	2700	0.05%	1-Apr-15				
				9-Oct-15	2750	Purchase	5450	0.09%
		5450	0.09%	31-Mar-16			5450	0.09%
13	Aashim Relan	291200	4.90%	1-Apr-15				
				28-Aug-15	3000	Purchase	294200	4.95%
				4-Sep-15	2750	Purchase	296950	4.99%
				9-Oct-15	2750	Purchase	299700	5.04%
				18-Dec-15	1200	Purchase	300900	5.06%
		300900	5.06%	31-Mar-16			300900	5.06%
14	Pranav Relan	126200	2.12%	1-Apr-15				
				9-Oct-15	2750	Purchase	128950	2.17%
		128950	2.17%	31-Mar-16			128950	2.17%
15	Ayush Relan	104000	1.75%	1-Apr-15	0	No Transaction		
		104000	1.75%	31-Mar-16			104000	1.75%
16	Rishabh Relan	148800	2.50%	1-Apr-15				
				28-Aug-15	3000	Purchase	151800	2.55%
				4-Sep-15	2679	Purchase	154479	2.60%
				9-Oct-15	2750	Purchase	157229	2.64%
				18-Dec-15	1271	Purchase	158500	2.67%
		158500	2.67%	31-Mar-16			158500	2.67%

Note: As per the data received from RTA according to date of beneficiary position

**IV(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):**

S.No.	Name of the Promoter	Shareholding at the beginning of the year(01/04/2015/end of the year (31/03/2016)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cummulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	NILAM KUMARI KAPUR	51000	0.86%					
				29-Jan-16	20	Sale	50980	0.86%
				5-Feb-16	140	Sale	50840	0.85%
				12-Feb-16	885	Sale	49955	0.84%

				4-Mar-16	200	Sale	49755	0.84%
				11-Mar-16	140	Sale	49615	0.83%
				18-Mar-16	339	Sale	49276	0.83%
				31-Mar-16	243	Sale	49033	0.82%
		49033	0.82%	31-Mar-16			49033	0.82%
2	VIBGYOR INVESTORS AND DEVELOPERS PVT LTD	50000	0.84%	1-Apr-15	0	No Transaction		
		50000	0.84%	31-Mar-16			50000	0.84%
3	VIJAY KUMAR AGARWAL HUF	50200	0.84%	1-Apr-15				
				10-Apr-15	13000	Sale	37200	0.63%
				17-Apr-15	19000	Sale	18200	0.31%
				1-May-15	12000	Sale	6200	0.10%
				8-May-15	6200	Sale	0	0.00%
				14-Aug-15	12000	Purchase	12000	0.20%
				21-Aug-15	12000	Sale	0	0.00%
				27-Nov-15	12000	Purchase	12000	0.20%
				11-Dec-15	20450	Purchase	32450	0.55%
				18-Dec-15	12000	Sale	20450	0.34%
				31-Dec-15	4000	Sale	16450	0.28%
				8-Jan-16	7000	Sale	9450	0.16%
				15-Jan-16	9450	Sale	0	0.00%
				5-Feb-16	8	Purchase	8	0.00%
				12-Feb-16	8	Sale	0	0.00%
		0	0.00%	31-Mar-16			0	0.00%
4	MUKESH AMRITLAL MOTASHA	40000	0.67%	1-Apr-15				
				10-Jul-15	20000	Sale	20000	0.34%
		20000	0.34%	31-Mar-16			20000	0.34%
5	BRAHAM ARENJA	60000	1.01%	1-Apr-15	0	No Transaction		
		60000	1.01%	31-Mar-16			60000	1.01%
6	VANDANA CHANNA	56100	0.94%	1-Apr-15				
				5-Jun-15	500	Sale	55600	0.94%
				30-Jun-15	500	Purchase	56100	0.94%
		56100	0.94%	31-Mar-16			56100	0.94%
7	VINOD KANTILAL SHAH	69620	1.17%	1-Apr-15	0	No Transaction		
		69620	1.17%	31-Mar-16			69620	1.17%
8	VIJAY AGGARWAL	73923	1.24%	1-Apr-15				
				10-Apr-15	1810	Sale	72113	1.21%
				17-Apr-15	71000	Sale	1113	0.02%
				24-Apr-15	5205	Purchase	6318	0.11%
				26-Jun-15	10000	Purchase	16318	0.27%
				17-Jul-15	2500	Sale	13818	0.23%
				24-Jul-15	4868	Sale	8950	0.15%
				31-Jul-15	1298	Sale	7652	0.13%
				7-Aug-15	6626	Sale	1026	0.02%



				14-Aug-15	12600	Purchase	13626	0.23%
				21-Aug-15	13000	Sale	626	0.01%
				28-Aug-15	500	Sale	126	0.00%
				18-Sep-15	2000	Purchase	2126	0.04%
				30-Sep-15	10000	Purchase	12126	0.20%
				9-Oct-15	10000	Sale	2126	0.04%
		2126	0.04%	31-Mar-16			2126	0.04%
9	USHA CHANNA	48309	0.81%	1-Apr-15				
				10-Apr-15	400	Sale	47909	0.81%
				26-Jun-15	3050	Sale	44859	0.75%
				3-Jul-15	1500	Sale	43359	0.73%
				10-Jul-15	1000	Sale	42359	0.71%
				17-Jul-15	500	Sale	41859	0.70%
				24-Jul-15	500	Sale	41359	0.70%
				28-Aug-15	648	Purchase	42007	0.71%
				18-Sep-15	200	Purchase	42207	0.71%
				27-Nov-15	500	Sale	41707	0.70%
				11-Dec-15	300	Sale	41407	0.70%
				31-Dec-15	500	Sale	40907	0.69%
		40907	0.69%	31-Mar-16			40907	0.69%
10	ANKITA CHANNA	50000	0.84%	1-Apr-15	0	No Transaction		
		50000	0.84%	31-Mar-16			50000	0.84%
11	BANG SECURITIES PVT.LTD.	0	0.00%	1-Apr-15				
				28-Aug-15	28000	Purchase	28000	0.47%
				18-Sep-15	24	Purchase	28024	0.47%
				30-Sep-15	1281	Purchase	29305	0.49%
				9-Oct-15	2788	Purchase	32093	0.54%
				16-Oct-15	397	Purchase	32490	0.55%
				4-Mar-16	30953	Purchase	63443	1.07%
		63443	1.07%	31-Mar-16			63443	1.07%
12	VINOD INFOTECH PVT. LTD	33684	0.57%	1-Apr-15				
				10-Apr-15	30174	Sale	3510	0.06%
				17-Apr-15	3510	Sale	0	0.00%
				14-Aug-15	12000	Purchase	12000	0.20%
				28-Aug-15	12000	Sale	0	0.00%
		0	0.00%	31-Mar-16			0	0.00%

Note: As per the data received from RTA according to date of beneficiary position

**IV (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year (01/04/2015/end of the year (31/03/2016)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reasons	No. of shares	% of total share capital
1	Shri Kishan N Parikh	100	0.00%	1-Apr-15				
				4-Jun-15	50	Purchase	150	0.00%
		150	0.00%	31-Mar-16			150	0.00%
								0.00%
2	Shri N. D. Relan	450960	7.58%	1-Apr-15		No Transaction		
		450960	7.58%	31-Mar-16			450960	7.58%
3	Shri Ajay Relan	785378	13.21%	1-Apr-15		No Transaction	785378	13.21%
		785378	13.21%	31-Mar-16			785378	13.21%
4	Smt. Sharda Relan	697520	11.73%	1-Apr-15		No Transaction		
		697520	11.73%	31-Mar-16			697520	11.73%
5	Shri Rohit Relan	428818	7.21%	1-Apr-15		No Transaction		
		428818	7.21%	31-Mar-16			428818	7.21%
6	Shri R. P. Chowdhry	600	0.01%	1-Apr-15		No Transaction		
		600	0.01%	31-Mar-16			600	0.01%
7	Shri O. P. Khaitan*	-	-	1-Apr-15		Nil Holding/ Movement during the year	-	-
		-	-	06-Dec-15			-	-
8	Shri Satinder Kumar Lambah**	-	-	05-Feb-16		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-16			-	-
9	Prof. Ashok Kumar Bhattacharya	-	-	1-Apr-15		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-16			-	-
10	Shri B Mitra	-	-	1-Apr-15				
				3-Apr-15	45	Purchase	45	0.00%
				1-May-15	10	Purchase	55	0.00%
				17-Jul-15	55	Sale	0	0.00%
				28-Aug-15	10	Purchase	10	0.00%
				4-Sep-15	10	Purchase	20	0.00%
				11-Sep-15	50	Purchase	70	0.00%
				18-Sep-15	1	Purchase	71	0.00%
				25-Sep-15	1	Purchase	72	0.00%
				30-Sep-15	1	Purchase	73	0.00%
				9-Oct-15	1	Purchase	74	0.00%
				16-Oct-15	20	Purchase	94	0.00%
				23-Oct-15	1	Purchase	95	0.00%

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year (01/04/2015/end of the year (31/03/2016)	Date wise increase, decrease in shareholding during the year specifying the reasons	Cummulative shareholding during the year
			30-Oct-15      1      Purchase	96      0.00%
			13-Nov-15      4      Purchase	100      0.00%
			22-Jan-16      50      Purchase	150      0.00%
			12-Feb-16      50      Purchase	200      0.00%
			19-Feb-16      100      Purchase	300      0.01%
			26-Feb-16      25      Purchase	325      0.01%
			4-Mar-16      40      Purchase	365      0.01%
			18-Mar-16      10      Purchase	375      0.01%
		400      0.01%	31-Mar-16      25      Purchase	400      0.01%
11	Shri Pradeep Rastogi	-      -	1-Apr-15      No Transaction	-      -
		-      -	31-Mar-16	-      -
12	Shri Nitin Vishnoi	1000      0.02%	1-Apr-15      No Transaction	
		1000      0.02%	31-Mar-16	1000      0.02%

\*Ceased to be a director w.e.f. 06th December, 2015

\*\*Appointed w.e.f. 05th February, 2016

Note: As per the data received from RTA according to date of beneficiary position

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. in Lacs

PARTICULARS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6564.56	7863.94	0	14428.5
ii) Interest due but not paid	60.16	0	0	60.16
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>6624.72</b>	<b>7863.94</b>	<b>0</b>	<b>14488.66</b>
<b>Change in Indebtedness during the financial year*</b>				
Addition	2522.29	517.47	0	3039.76
Reduction	1381.95	3931.85	0	5313.80
<b>Net Change</b>	<b>1140.34</b>	<b>(3414.38)</b>	<b>0</b>	<b>(2274.04)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7715.84	4397.54	0	12113.38
ii) Interest due but not paid	49.22	52.02	0	101.24
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>7765.06</b>	<b>4449.56</b>	<b>0</b>	<b>12214.62</b>

\* Includes revaluation effect on Foreign currency borrowings

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. in Lacs)

SL. NO.	PARTICULARS OF REMUNERATION	NAME OF MD/WTD/ MANAGER			TOTAL AMOUNT
		N.D. Relan*	Ajay Relan*	B. Mitra	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	189.26	183.25	15.88	388.39
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	57.91	51.04	0.22	109.17
	(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	-	-	-	-
	<b>Total (A)</b>	<b>247.17</b>	<b>234.29</b>	<b>16.10</b>	<b>497.56</b>
	Ceiling as per the Act <sup>#</sup>				605.36

\*In addition to the above, arrear of Rs. 58.92 Lacs and Rs. 47.49 Lacs for the financial year 2014-15 was paid to Shri N.D. Relan and Shri Ajay Relan respectively post Central Government approval.

<sup>#</sup> 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	RP Chowdhry	O.P. Khaitan	Kishan N Parikh	A.K. Bhattachary	S.K. Lambah	
3	<b>Independent Directors</b>								
	· Fee for attending board committee meetings	-	-	-	2.60	3.40	1.20	0.80	8.00
	· Commission	-	-	-	-	-	-	-	-
	· Others, please specify	-	-	-					-
	<b>Total (1)</b>	-	-	-	<b>2.60</b>	<b>3.40</b>	<b>1.20</b>	<b>0.80</b>	<b>8.00</b>
4	<b>Other Non-Executive Directors</b>								-
	· Fee for attending board committee meetings	1.60	3.60	2.80	-	-	-	-	8.00
	· Commission				-	-	-	-	-
	· Others, please specify				-	-	-	-	-
	<b>Total (2)</b>	<b>1.60</b>	<b>3.60</b>	<b>2.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.00</b>
	<b>Total (B)=(1+2)</b>	<b>1.60</b>	<b>3.60</b>	<b>2.80</b>	<b>2.60</b>	<b>3.40</b>	<b>1.20</b>	<b>0.80</b>	<b>16.00</b>
	Total Managerial Remuneration (A)+(B)								513.56
	Overall Ceiling as per the Act	Being 11% of Net profits of the Company calculated as per section 198 of the Companies Act, 2013.							665.90

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

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	12.78	21.94	34.72
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(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	-	-	-
	<b>Total (A)</b>	<b>12.78</b>	<b>21.94</b>	<b>34.72</b>
	Ceiling as per the Act	NA	NA	NA

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

There were no penalties/punishments/ compounding of offences for the year ending 31st March, 2016.

**ANNEXURE V**
**INFORMATION REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 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 K N Parikh - NA  (ii) Shri N. D. Relan – 1:74  (iii) Shri Ajay Relan – 1:70  (iv) Smt. Sharda Relan – NA  (v) Shri Rohit Relan – NA  (vi) Shri R. P. Chowdhry - NA  (vii) Shri O. P. Khaitan* - NA  (viii) Shri Satinder Kumar Lambah**-NA  (ix) Prof. A.K. Bhattacharya – NA  (x) Shri Bireswar Mitra – 1:6</p> <p>*Ceased to be a director w.e.f. 06th December, 2015 due to his sad demise  **Appointed w.e.f. 05th February, 2016</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>Directors :</p> <p>(i) Shri Kishan N Parikh - NA  (ii) Shri N. D. Relan – 9.98%  (iii) Shri Ajay Relan – 10.02%  (iv) Smt. Sharda Relan – NA  (v) Shri Rohit Relan – NA  (vi) Shri R. P. Chowdhry - NA  (vii) Shri O. P. Khaitan* - NA  (viii) Shri Satinder Kumar Lambah**-NA  (ix) Prof. A.K. Bhattacharya – NA  (x) Shri B Mitra – NIL</p> <p>Key Managerial Personnel:</p> <p>(i) CFO – 8%  (ii) Company Secretary – 11%</p> <p>*Ceased to be a director w.e.f. 06th December, 2015 due to his sad demise  **Appointed w.e.f. 05th February, 2016</p> <p>Note :</p> <p>(i) For the purpose of calculation of percentage increase in remuneration for financial year 2014-15 of Shri N.D. Relan and Shri Ajay Relan, the arrear paid post Central Government approval is included in the respective year;</p>
(iii) the percentage increase in the median remuneration of employees in the financial year;	14%
(iv) the number of permanent employees on the rolls of company;	1184 employees as on 31st March, 2016
(v) the explanation on the relationship between average increase in remuneration and company performance;	Average increase in remuneration of all employees during the year 2015-16 was 14%, which is partly based on the results of the Company for the year ended 2014-15 and partly on the individual employee's performance. Revenue from operations for 2015-16 has increased 6%. The Profit before tax increased by 46.5% during the year. However Profit after tax has decreased by 5.26%.



(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration paid to Key Managerial personnel is in line with the performance of the Company during the year. Note: Remuneration paid to Shri N.D. Relan and Shri Ajay Relan is per the approval received from Central Government.			
(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;	<b>Particulars</b>	<b>As on 31st March, 2015</b>	<b>As on 31st March, 2016</b>	<b>% change</b>
	Market Capitalisation (Rs. Crores)	548.55	469.17	(14%)
	Price Earnings Ratio	15.18	13.71	(10%)
	The Company has not made any public issue or Rights issue, so comparison have not been made of current share price with public offer price.			
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Salary increase of non-managerial personnel is 14% Average Salary increase of managerial personnel is 7.8% Note : (i) For the purpose of calculation of percentage increase in remuneration for financial year 2014-15 to Shri N.D. Relan and Shri Ajay Relan, the arrear paid post Central Government approval is included in the respective year;			
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Same as in (vi) above			
(x) The key parameters for any variable component of remuneration availed by the directors;	All employees including the Managing Director's entitlement to incentive has a variable component which is based on the individual's performance and Company's financial performance. Other components of remuneration are not variable during a particular year.  In addition to the above, the sitting fees of Rs. 40,000 per Board meeting and Rs. 20,000 per committee meeting is paid to Non-executive Directors.			
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	The Co-Chairman and Managing Director are the highest paid director.  No employee received remuneration higher than the Co-Chairman and the Managing Director.			
(xii) affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended 31st March, 2016 is as per the Remuneration Policy of the Company			

**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 2014-15 and have excluded the employees not eligible for increment.

**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, 2016 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	246.80	B.Com 63 years	01.07.2003	87 years	Chairman, Bharat Seats Limited
Shri Ajay Relan	Managing Director	233.90	B.Com(Hons.), OPM programme from Harvard Business School, USA 32 years	01.09.1986	54 years	First Employment
Shri S. H. Lee	CEO- MWC Plant	81.16	Mechanical Engineering 30 years	10.07.2010	52 years	Director Enterprise Department & Sales Part

**B. Employed for part of the year ended 31st March, 2016 in receipt of remuneration not less than Rs. 5,00,000/- per month:**  
None

**Notes:-**

- The terms 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- The nature of employment in all cases is contractual.
- 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.
- Shri N.D. Relan and Shri Ajay Relan are holding 19.82% and 21.88% equity shares of the Company respectively as on 31st March, 2016 as per the applicable provisions of the Companies Act, 2013.
- In addition to the above, arrear of Rs. 58.92 Lacs and Rs. 47.49 Lacs for the financial year 2014-15 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.**

Being an environmentally responsible corporate citizen, your company always strives to achieve the highest standards of energy conservation. Company constantly makes efforts for the conservation of energy in all its endeavours. Some of them are:

- Auto timer provided to turn off machine lights and fan, Blower power and Cooling tower pump motor at break hours;
- Variable frequency drives (VFD) Installation for the Power presses;
- Auto Stop Timers have been installed in the machines in case of idle time;
- Constant monitoring of energy consumption of all Manufacturing Units and corrective actions for optimum Utilization;
- HPMV 250w lights replaced with 150w LED lights.
- 85W CFL replaced with 230W MHL at Nashik Plant.

**(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:**

The Company has made a capital investment of 38 Lacs in installing the VFD in machines at plants of the Company.

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

- Advanced technology familiarization through seminars and internship programmes;
- Expansion and modernization programme;
- Efforts towards quality improvement, waste reduction, cost optimization;
- Managing extended enterprises
- Improved performance of exhaust system
- Emphasis on absorption of design and manufacturing technology

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

- Improvement in core competencies;
- Improving fuel economy and consequent reduction in CO<sub>2</sub>;
- Import substitution and less dependence on technical collaborators;
- Product line extension;
- Significant improvement in meeting demand of end user;

**(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. 456.72 Lacs
- Revenue Expenditure – Rs. 847.78 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 2015-16.

**ANNEXURE VIII**
**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**

(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)

**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 2016, which were not at arm's length basis.

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

Name(s) of the related party and nature of relationship	Bharat Seats Limited, Associate Company	Relan Industrial Finance Limited, Associate Company
<b>Nature of contracts/ arrangements/ transactions</b>	Sale, Purchase or supply of goods, materials and selling or otherwise disposing off or buying property of any kind and tools/ job charges.	To avail stock broking services for investing the funds of the Company in capital market like shares, debentures, mutual funds (liquid, cash etc.) or any other financial instruments.
<b>Duration of the contracts/ arrangements/ transactions</b>	Perpetual and ongoing in nature	Recurring, whenever it will be in the best interest of the Company
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Upto a maximum of Rs. 600 crores per annum for sale, purchase or supply of goods, materials and Rs. 150 crores per annum for selling or otherwise disposing off or buying property of any kind and tools/ job charges.	Surplus funds invested through Relan Industrial Finance Limited shall be subject to a maximum limit of Rs. 50 Crores per transaction, However remaining outstanding amount at any point of time shall not exceed Rs. 300 Crores during any financial year.
<b>Date(s) of approval by the Board, if any</b>	Since the transaction entered into, is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on 26th May, 2015 as per the listing requirements.	Since the transaction entered into, is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on 05th February, 2016 as per the listing requirements.
<b>Amount paid as advances, if any:</b>	Nil	Nil

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

Date : 27th May, 2016  
Place : New Delhi

**Sharda Relan**  
Director  
(DIN: 00252181)

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

**FORM AOC-1**

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)*

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part “A”: Subsidiaries**

The Company do not have/had any subsidiary company.

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Currency : ₹ in Lacs except otherwise specified)

Name of associates/Joint Ventures	Bharat Seats Limited	Relan Industrial Finance Limited	Toyota Boshoku Relan India Private Limited	Toyo Sharda India Private Limited
1. Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2015	Note 1
2. Shares of Associate/Joint Ventures held by the company on the year end				
No. (in no.)	90,00,000	4,90,000	5,000	7,50,000
Amount of Investment in Associates/ Joint Venture	90.00	49.00	0.50	75
Extend of Holding%	28.66%	47.12%	50%	50%
3. Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding
4. Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	1378.19	206.95	(45.80)	Note 1
6. Profit/Loss for the year				
i. Considered in Consolidation	183.13	8.71*	10.85*	(12.31)*
ii. Not Considered in Consolidation	465.92	9.78*	10.85*	(12.31)*

\*Profit (Loss) figures of associates/ Joint Ventures are unaudited figures for the financial year ended 31<sup>st</sup> March, 2016.

**Notes**

- Being the first financial year of the Company, financial statements are yet to be audited.
- There are no associates or joint ventures which are yet to commence operations.
- None of the associates or joint ventures have been liquidated or sold during the year.

For and on behalf of Board of Directors of Sharda Motor Industries Limited

Kishan N Parikh  
Chairman  
DIN: 00453209

Sharda Relan  
Director  
DIN: 00252181

Date : 27<sup>th</sup> May, 2016  
Place : New Delhi

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

Nitin Vishnoi  
Company Secretary  
M. No. F3632

Ajay Relan  
Managing Director  
DIN: 00257584

**ANNEXURE IX**
**REPORT ON CORPORATE GOVERNANCE**

In line with the requirements of Regulation 34(3) read with part c of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Your Directors are pleased to present the Company's annual report on Corporate Governance for the year ended 31st March, 2016, in the prescribed format and forming part of the Directors Report:

**1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF 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.

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.

**2. BOARD OF DIRECTORS**

The Board of Directors consists of professionals drawn from diverse fields. As on 31st March, 2016, the Board of Directors of the Company consists of nine directors headed by Shri Kishan N Parikh, Non-Executive/ Independent Director. The composition of the Board is in conformity of Listing Regulations, 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 also persons of eminence and bring a wide range of expertise and experience to the Board.

The Board met four (4) times during the financial year 2015-16 on 26th May, 2015, 07th August, 2015, 06th November, 2015 and 05th February, 2016. The maximum gap between any two meetings did not exceed 120 days.

In addition to the above, a separate meeting of Independent Directors was held on 21st March, 2016 to discuss the matters as prescribed under Listing Regulations and the Companies Act, 2013.

The composition and category of directors, their attendance at the Board meetings held during the year ended 31st March, 2016 and at the last Annual General Meeting, number of other directorships and membership/chairmanships of committees etc. are tabulated hereunder:

S. No.	Name of the Director (DIN) (Designation)	Category	No. of Board Meeting held during tenure	No. of Board Meeting attended	Attendance at last AGM held on 26 <sup>th</sup> August, 2015	Directorship of other public companies*		Committee position held in other public Companies#		Shareholding in the Company
						Chairman	Director	Chairman	Member**	
1.	Shri Kishan N Parikh (00453209) (Chairman)	Independent/ Non-executive Director	4	4	YES	0	3	0	2	150
2.	Shri Satinder Kumar Lambah\$ (07425155) (Director)	Independent/ Non-executive Director	1	1	N.A.	0	0	0	0	Nil
3.	Prof. Ashok Kumar Bhattacharya (02804551) (Director)	Independent/ Non-executive Director	4	2	NO	0	0	0	0	Nil
4.	Shri O.P. Khaitan^ (00027798) (Director)	Independent/ Non-executive Director	3	3	NO	0	7	3	5	Nil



S. No.	Name of the Director (DIN) (Designation)	Category	No. of Board Meeting held during tenure	No. of Board Meeting attended	Attendance at last AGM held on 26 <sup>th</sup> August, 2015	Directorship of other public companies*		Committee position held in other public Companies#		Shareholding in the Company
						Chairman	Director	Chairman	Member**	
5.	Shri N D Relan (00240280) (Co-chairman)	Non-Independent/ Executive Director	4	4	YES	3	3	0	3	450960
6.	Shri Ajay Relan (00257584) (Managing Director & CEO)	Non-Independent/ Executive Director	4	3	YES	0	2	0	0	785378
7.	Smt. Sharda Relan (00252181) (Director)	Non-Independent/ Non-executive Director	4	4	YES	0	1	0	0	697520
8.	Shri Rohit Relan (00257572) (Director)	Non-Independent/ Non-executive Director	4	4	NO	0	2	0	0	428818
9.	Shri R.P. Chowdhry (00337775) (Director)	Non-Independent/ Non-executive Director	4	4	YES	0	0	0	0	600
10.	Shri Bireswar Mitra (06958002) (Director)	Non- Independent/ executive Director	4	2	YES	0	0	0	0	400

**Note:** Shri Ajay Relan and Shri Rohin Relan are sons of Shri N. D. Relan & Smt. Sharda Relan. Smt. Sharda Relan is spouse of Shri N. D. Relan. Shri R.P. Chowdhry is father-in-law of Shri Ajay Relan. Apart from this there is no relationship among the directors interse.

\*Excludes directorship in associations, private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013

\*\*membership includes chairmanship

# Represents Chairmanship/ Membership of Audit Committee & Stakeholders' Relationship Committee

\$ Appointed w.e.f. 05th February, 2016

^ Ceased to be a director w.e.f. 06th December, 2015 due to his sad demise

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

At the time of appointment and thereafter at the first board meeting in every financial year, the Independent Directors submit a self-declaration confirming their independence and compliance with various eligibility criteria laid down by the applicable laws among other things. In addition, the Company also ensures that the directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Details of familiarization programme are available on company website [www.shardamotor.com](http://www.shardamotor.com), under heading 'Investors'.

### 3. AUDIT COMMITTEE

During the year the audit committee was reconstituted due to the sad demise of Shri O.P. Khaitan and new appointment of Shri Satinder Kumar Lambah. Shri Kishan N. Parikh was appointed as the Chairman of the Committee. Constitution of Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013 and Listing Regulations. The Audit Committee at present comprises two Non-Executive/ Independent Directors and one Non-Executive/Non-Independent Director of the Company. All the three members of Committee have adequate financial & accounting knowledge and background.

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 (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 proceedings and minutes of the Committee meetings are regularly placed before the Board. Chairman of the Committee was not present at the last Annual General Meeting held on 26th August, 2015 due to ill health and authorised Shri Kishan N. Parikh to address 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. The Company Secretary of the Company acts as the secretary of the Committee.

During the year ended 31st March, 2016, the Audit Committee meetings were held on 26th May, 2015, 07th August, 2015, 6th November, 2015 and 05th February, 2016.

The Committee was reconstituted by the Board of Directors on 05th February, 2016. The Composition and attendance of members at the meeting held during the financial year 2015-16 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
<b>Shri Kishan N Parikh<sup>^</sup></b>	Independent, Non-Executive	Chairman	4	4
<b>Smt. Sharda Relan</b>	Non-Independent Non-Executive	Member	4	4
<b>Shri O P Khaitan *</b>	Independent, Non-Executive	Chairman	3	3
<b>Shri Satinder Kumar Lambah **</b>	Independent, Non-Executive	Member	1	1

<sup>^</sup> Appointed as Chairman w.e.f. 05th February, 2016

\*Ceased to be member/Chairman w.e.f. 06th December, 2015 due to his sad demise

\*\* Appointed w.e.f. 05th February, 2016

#### 4. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee comprises of four Non-executive directors, majority of which are independent directors. Composition of the Committee is as per the Companies Act, 2013 and Listing Regulations.

During the year under review, Nomination and Remuneration Committee met two times on 26th May, 2015 and 05th February, 2016.

The Committee was reconstituted by the Board of Directors on 05th February, 2016. The Composition and attendance of members at the meeting held during the financial year 2015-16 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri O.P. Khaitan*	Independent, Non-Executive	Chairman	1	1
Shri Satinder Kumar Lambah**	Independent, Non-Executive	Chairman	0	N.A.
Shri Kishan N Parikh	Independent, Non-Executive	Member	2	2
Shri A.K. Bhattacharya	Independent, Non-Executive	Member	2	1
Shri R.P. Chowdhry	Non-Independent, Non-Executive	Member	2	2

\*Ceased to be member/Chairman w.e.f. 06th December, 2015 due to his sad demise

\*\* Appointed as Chairman w.e.f. 05th February, 2016

The Company Secretary of the Company acts as the secretary of the Committee.

The functioning and terms of reference of the Committee are as prescribed under the Listing Regulations and under the Companies Act, 2013. A report on performance evaluation criteria is forming part of the Board's Report earlier in the Annual Report.

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, criteria for making the payment to Non-Executive Directors is disclosed in the Remuneration policy;

Remuneration paid to the Director for the year is given below:

#### EXECUTIVE DIRECTORS

(Rs. in Lacs)

Name of Director	Salary	Perks	Total
Shri N. D. Relan*	189.00	57.80	246.80
Shri Ajay Relan*	183.00	50.90	233.90
Shri B Mitra	15.66	6.10	21.76
<b>Total</b>	<b>387.66</b>	<b>114.80</b>	<b>502.46</b>

\*In addition to the above, arrear of Rs. 58.92 Lacs and Rs. 47.49 Lacs for the financial year 2014-15 was paid to Shri N.D. Relan and Shri Ajay Relan respectively post Central Government approval.

**NON-EXECUTIVE DIRECTORS**

(Rs. in Lacs)

Name of Director	Sitting fee
Smt. Sharda Relan	3.60
Shri Rohit Relan	1.60
Shri R. P. Chowdhry	2.80
Shri O. P. Khaitan*	2.60
Shri Kishan N Parikh	3.40
Prof. Ashok Kumar Bhattacharya	1.20
Shri Satinder Kumar Lambah**	0.80
<b>TOTAL</b>	<b>16.00</b>

\*Ceased to be Director w.e.f. 06th December, 2015 due to his sad demise

\*\* Appointed w.e.f. 5th February, 2016

**Notes:**

- The service contract for 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;
- No commission was paid to nonexecutive directors during the year;
- 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.

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Pursuant to Section 178 of the Companies Act, 2013 and Listing Regulations, Stakeholders' Relationship Committee was reconstituted on 05th February, 2016.

The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met four times in 2015-16 on 26th May, 2015, 07th August, 2015, 06th November, 2015 and 05th February, 2016. 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 26th August, 2015.

The terms of reference of Stakeholders Relationship Committee inter-alia deals with various matters relating to:-

- Issue of Duplicate Share Certificates;
- Non-receipt of Annual Report, dividend, Share Certificates and issues 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, 2016, are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri R.P. Chowdhry	Non-Independent, Non-Executive	Chairman	4	4
Smt. Sharda Relan	Non-Independent, Non-Executive	Member	4	4
Shri O.P. Khaitan*	Independent, Non-Executive	Member	3	3
Shri Satinder Kumar Lambah**	Independent, Non-Executive	Member	0	N.A.

\*ceased to be a director w.e.f. 06th December, 2015 due to his sad demise

\*\*Appointed w.e.f. 05th February, 2016

Shri Nitin vishnoi, Company Secretary is the Compliance officer of the Company and also acts as the secretary of the committee.

During the year ended 31st March, 2016, status of investor grievance is tabulate hereunder

PARTICULAR		Numbers
Complaint pending as on 1 <sup>st</sup> April, 2015	:	NIL
Complaints received during the financial year 2015-16	:	NIL
Complaints disposed off up to the satisfaction of share holder during the financial year 2015-16	:	N.A.
Complaints pending as on 31 <sup>st</sup> March, 2016	:	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, 2016.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

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 members of the Committee. The Company Secretary acts as the Secretary of the Committee. Terms of reference of the Committee are in line with the Companies Act, 2013.

During the Financial Year 2015-16, CSR Committee met two times on 26th May, 2015 and 28th March, 2016.

The attendance at the Committee meeting held during the year ended 31st March, 2016, are as under:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri N.D. Relan	Executive	Chairman	2	2
Shri Kishan N Parikh	Independent, Non-Executive	Member	2	2
Smt. Sharda Relan	Non-Independent Non - Executive	Member	2	2

The Corporate Social Responsibility Report for the year ended 31st March, 2016 is annexed to the Director's Report.

## 7. GENERAL BODY MEETINGS

### A. Annual General Meeting

AGM No.	Year	Venue	Date	Time	No. of Special Resolutions
30 <sup>th</sup>	2014-15	India Habitat Centre, New Delhi	26.08.2015	12:30 pm	One
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

### B. Extraordinary General Meetings

No Extraordinary General Meetings held during the year under review.

### C. Resolutions Passed Through Postal Ballot

Company has passed a resolution by way of postal ballot as on 21st April, 2016 for taking approval of the members of the Company for related party transactions with Relan Industrial Finance Limited.

#### Voting Pattern and Procedure for Postal Ballot

- The Company issued the postal ballot notice/ e-voting dated 7th March, 2016 containing draft resolutions together with explanatory statements and the postal ballot forms and self-addressed envelopes to the members whose names appear in the register of members as on Friday, 18th March, 2016.
- Members were advised to carefully read the instructions printed on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business envelope so as to reach the scrutinizer on or before 21st April, 2016 (05:00 PM IST). Members voting through electronic mode were requested to follow the instructions for e-voting. Voting period for both physical and e-voting started from 23rd March, 2016 to 21st April, 2016.
- Mr. Vineet K Chaudhary, Practicing Company Secretary (FCS No. 5327) was appointed as Scrutinizer for conducting the postal ballot and e- voting process in a fair and transparent manner.
- After proper scrutiny of the postal ballot forms/e-voting received upto 21st April, 2016 (05:00 PM IST), scrutinizer submitted his final report on 22nd April, 2016.
- The result of the Postal Ballot/ e-voting was declared on Friday, 22nd April, 2016.
- The result of the postal ballot/ e-voting was published in the newspapers within 48 hours of the declaration of the results and was also placed at the website of the Company [www.shardamotor.com](http://www.shardamotor.com) and also submitted to stock exchange where company's shares are listed.

**Results:**

Details of the Resolution Special Resolution	No. of valid Votes Cast	Votes cast in favour of the resolution		Votes cast against the resolution	
		No.	%	No.	%
To approve Related party Transaction with Relan Industrial Finance Limited	4,15,993	4,15,983	99.99	10	0.01

**8. DISCLOSURES**

- (a) The Board has received disclosures from Senior Management 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. There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. Company has in place a policy for dealing with related party transactions, which is also on the website of the Company [www.shardamotor.com](http://www.shardamotor.com).
- (b) As per the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Shri Bireswar Mitra and Shri Rohit Relan will retire by rotation and being eligible; offer themselves for re-appointment at 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 along with information required as per applicable laws of the above Directors recommended for re-appointments at the AGM are furnished in the Notice of the Annual General Meeting of the Company.
- (c) 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.
- (d) Company has in place a Whistle Blower Policy and no person has been denied access to the audit committee. Details of the policy are placed on the Company's website [www.shardamotor.com](http://www.shardamotor.com).
- (e) In the ordinary course of business, the Company is exposed to risk resulting from exchange rate fluctuations and interest rate movements. The Company had managed the foreign exchange risk and hedged to the extent considered necessary. Details of foreign currency exposure are disclosed in notes to the financial statements. To counter the commodity price risks, Company has in place adequate risk measures and control systems which identify the risks, assess their severity, their potential effect on the performance of the Company through systematic report and charts.
- (f) The Company has complied with all the mandatory requirements of Listing Regulations and the non-mandatory requirements have been adopted to the extent and in the manner as stated hereunder:
  - a) The Company has appointed separate persons to the post of Chairperson and Managing Director/ CEO.
  - b) The Company is in the regime of unqualified financial statements.
- (g) At present the Company does not have any subsidiary company.
- (h) The Company has adopted a code of conduct for prevention of Insider Trading and Fair Disclosure as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors and designated employees who could have access to the unpublished price sensitive information are required to follow this code.
- (i) The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- (j) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable, and necessary disclosures thereof have been made in this Corporate Governance Report.

**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 Listing Regulations. 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 Exchanges in the prescribed manner.

The audited annual results are announced within Sixty Days from the end of the last quarter as stipulated under Listing Regulations. 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 Exchanges in the prescribed manner.

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

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:**
**Annual General Meeting to be held:**

Day : Wednesday  
 Date : 07<sup>th</sup> September, 2016  
 Time : 11:30 A.M.  
 Venue : PHD Chamber of Commerce & Industry, 4/2 Institutional Area, August Kranti Marg, New Delhi-110016

**Financial Year** : **1st April to 31st March**

**Financial Calendar**

First Quarterly Results : On or before 14th day of August, 2016  
 Second Quarterly Results : On or before 14th day of November, 2016  
 Third Quarterly Results : On or before 14th day of February, 2017  
 Fourth Quarterly Results : On or before 30th day of May, 2017

**Date of Book Closure** : 01st September, 2016 to 07th September, 2016 (Both days inclusive)

**Dividend Payment**

An interim dividend of Rs. 6.25 per equity share i.e. 62.5% on the paid up equity capital of the Company for the financial year 2015-16 was paid in February, 2016. The Board has also recommended a final dividend of Rs. 6.25 per equity share which will be paid within the prescribed statutory period, subject to declaration by the shareholders at the ensuing Annual General Meeting.

**Listing on Stock Exchanges**

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the annual listing fees for the financial year 2016-17 has been paid in respect of both the stock exchanges.

**Stock Code and ISIN No.**

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	535602 (Scrip Code)
National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai-400051	SHARDAMOTR (Symbol)
ISIN No.	INE597I01010

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

Month	BSE		NSE*	
	High	Low	High	Low
Apr-15	994.25	732	NA	NA
May-15	880	701	NA	NA
Jun-15	984	770	NA	NA
Jul-15	1190	825.25	NA	NA
Aug-15	1169	860	NA	NA
Sep-15	995	735	1029.95	780.35
Oct-15	950	805	1050.00	755.50
Nov-15	1049.75	805	1089.00	825.05
Dec-15	1084	914	1093.85	910.00
Jan-16	1008	800.5	1030.00	800.15
Feb-16	922	726	993.95	733.60
Mar-16	835.5	740	836	749.95

*\*The Company's shares are listed on National Stock Exchange of India Limited w.e.f. 3rd September, 2015*

**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 Heights, 1E/13  
Jhandewalan Extension, New Delhi-110055  
Tel: 011-42541234, 23541234 Fax: 011-41543474  
E-mail: rta@alankit.com

**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. As in the past, the Company has sent 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.

**SHAREHOLDING**

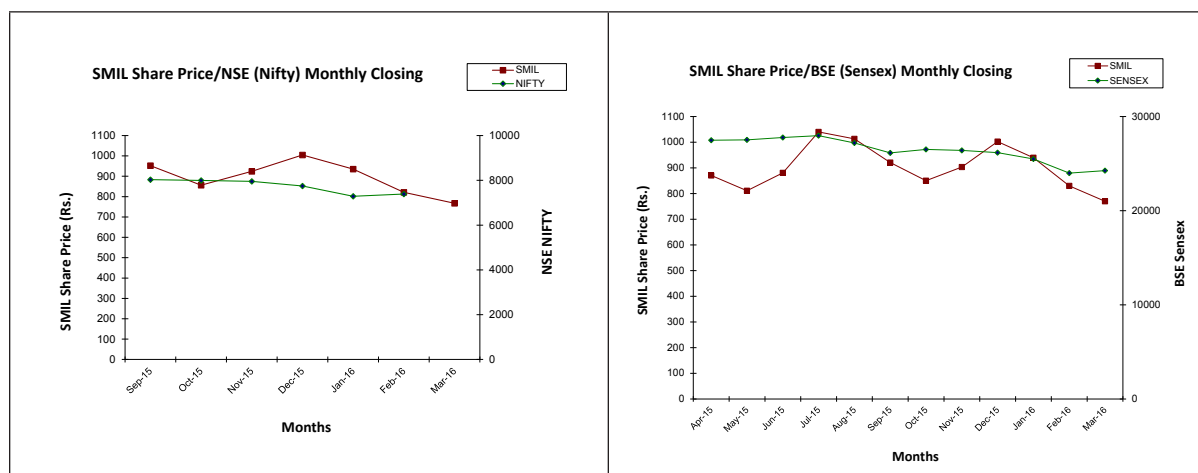
Distribution of shareholding as on 31st March, 2016

Category (No. of shares)	No. of shareholders	% of shareholders	No. of Shares	% of equity shares
1 to 500	1583	85.99	93819	1.58
501 to 1000	85	4.62	65026	1.09
1001 to 2000	59	3.20	87628	1.47
2001 to 3000	28	1.52	77850	1.31
3001 to 4000	8	0.43	28563	0.48
4001 to 5000	5	0.27	22182	0.37
5001 to 10000	18	0.98	122298	2.06
10001 to ABOVE	55	2.99	5448960	91.64
<b>Total</b>	<b>1841</b>	<b>100</b>	<b>5946326</b>	<b>100</b>

**Shareholding Pattern as on 31st March, 2016**

Category Code	Category	No. of shareholders	Total No. of shares	% of total no. of shares	Shares pledged or otherwise encumbered	
					No. of shares	%
(A)	Promoters and Promoter Group					
(i)	Indian					
	Individual/ HUF	16	4456893	74.95	-	-
	Bodies Corporate	-	-	-	-	-
(ii)	Foreign	-	-	-	-	-
	<b>Total Shareholding of Promoters and Promoter Group</b>	<b>16</b>	<b>4456893</b>	<b>74.95</b>		
(B)	Public Shareholding					
(i)	Institutions	-	-	-	-	-
(ii)	Non-Institutions					
	Corporate Bodies	87	282264	4.75		
	Resident Individuals	1668	1157106	19.46	460	0.04
	HUF	51	47635	0.80		
	NRI	19	2428	0.04		
	<b>Total Public Shareholding</b>	<b>1825</b>	<b>1489433</b>	<b>25.05</b>	<b>460</b>	<b>0.03</b>
	<b>Total Shareholding</b>	<b>1841</b>	<b>5946326</b>	<b>100</b>	<b>460</b>	<b>0.01</b>

## Performance of Sharda Motor Industries Limited (SMIL) share price in comparison of NSE NIFTY and BSE SENSEX



### Dematerialization of shares and liquidity

The shares of the Company are compulsorily traded in dematerialized form and are available for trading with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2016, 96.67% shares of the Company are in dematerialized form.

**Outstanding GDRs /ADRs / Warrants :** Not Issued

### Plant Locations:

- 58 KM, Delhi Jaipur Highway, Behind Terry Soft, Village & P. O. Binola-122413
- Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune-411013
- G-20, Sipcot Industrial Park, Irungattukottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamilnadu-602105
- Mahindra World City, Changalpattu Taluk, Kancheepuram Dist. Industrial Park, Tamilnadu-603002
- Plot No. 276, Udyog Vihar, Phase-VI, Gurgaon (Haryana)
- Plot no. 366, Pace City -II, Udyog Vihar, Phase-IV, Gurgaon-122001
- Plot No.4, Sector-31, Greater Noida, Distt. Gautam Budh Nagar, (U.P.)
- Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar (Uttaranchal)
- Plot No.112, M.I.D.C., Satpur, Nasik-7, Maharashtra
- Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik- 422007
- C-506, Block \_C, Pioneer Industrial Park (Village Bhudka) Pathredi, Gurgaon (Haryana)
- Plot No. C-8 Tata Motor, Vendor Park, North Kotpura, Sanand, Ahmedabad, Gujrat.
- Plot No. 558, 559, Surajpur Bypass Industrial Area, Greater Noida, (U.P.)

### Address for Investors Correspondence:

#### Registrar and Share Transfer Agent :

Mr. Jagdeep Kumar Singla  
M/s. Alankit Assignments Ltd.  
Alankit Heights, 1E/13  
Jhandewalan Extension, New Delhi-110055  
Tel: 011-42541234, 23541234 Fax: 011-41543474  
E-mail: rta@alankit.com

#### Company :

#### Company Secretary

Sharda Motor Industries Limited  
D-188, Okhla Industrial Area  
Phase-I, New Delhi-110020  
Tel: 011-47334100, Fax: 011-26811676  
Email: investorrelations@shardamotor.com  
Website: www.shardamotor.com

**DECLARATIONS****Compliance with Code of Conduct**

In accordance to Regulation 34(3) read with part D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 2015-16.

**For Sharda Motor Industries Ltd**

**Ajay Relan**  
**Managing Director**  
**DIN 00257584**

**CEO/CFO Certification**

To,

Board of Directors, and  
Audit Committee  
Sharda Motor Industries Limited  
D – 188, Okhla Industrial Area,  
Phase I, New Delhi - 110020

**CERTIFICATE FOR THE YEAR ENDED 31.03.2016**

Pursuant to Regulation 17(8) read with part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Ajay Relan, Managing Director and Pradeep Rastogi, President (Legal) & CFO of M/s Sharda Motor Industries Limited do hereby certify to the Board that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year 2015-16 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year 2015-16;
  - (ii) that there are no significant changes in accounting policies during the year 2015-16; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

**For Sharda Motor Industries Ltd**

**Date : 12<sup>th</sup> May, 2016**  
**Place : New Delhi**

**SD/-**  
**PRADEEP RASTOGI**  
**President (Legal) & CFO**  
**M.No. 085838**

**SD/-**  
**AJAY RELAN**  
**Managing Director**  
**DIN 00257584**

**Auditors' Certificate on Compliance of Conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchange.

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

In our opinion and best to our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchange.

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 : 27th May 2016

**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**

Auto Component Industry is one of the largest industries of the Country contributing a major part to gross domestic product (GDP) of the country with a positive change in the coming years. Growing working population and expanding middle class are expected to remain key driving factors in the growth of the industry along with strong investment in R&D sector. Milestone of the industry in becoming the largest among the world and India to be a major contributor of it, does not seem far away. However, Capital investments into the auto component sector have seen a downward trend in the recent period, despite of its improved market conditions mainly because of the moderations made in vehicle sales and depressed market sentiments. Utilizing manufacturing plants to optimum level and access to most efficient technology brings competitive advantage to the Companies.

India is expected to be the fourth largest automobiles producer globally by 2020 after China, US and Japan. Original Equipment Manufacturers (OEMs) dominate production volumes by market range and export around 29 percent of the total industrial exports. The growth of global OEM sourcing from India and the increased indigenization of global OEMs is turning the country into a preferred designing and manufacturing base. Although number of manufacturing units in the unorganized sector is far higher than those in the organised one, still the organised sector accounts for approx. 85 percent of total industry turnover.

India's exports of auto components have increased at a fast pace during previous years, which indicates a better future for the local manufacturers. 'Make in India' initiative by our Honorable Prime Minister is also promising to make India a manufacturing hub with 100% Foreign Direct Investment (FDI) under the automatic route in the auto component sector, subject to applicable regulations and laws. Many positive measures have also been taken in the Union Budget 2015-16 to boost the auto component sector in the country. Increasing investments in R&D helps companies in setting up laboratories and new facilities to conduct activities like analysis, simulations and engineering animations.

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

India is emerging as a global hub for auto component sourcing in the world. Robust demand in the automobile sector in view of growing working population has boosted the growth of the industry. In comparison to its competitors, India is geographically closer to key automotive markets like Middle East and Europe and there are immense opportunities to the global suppliers to make strategic alliance to cover a large customer base. One of the key driving forces in growth of any industry is its human resource capital and large pool of skilled and semi-skilled workforce will support the country in becoming a larger player in the coming years. India is the third largest steel producer in the world which gives cost advantage to the industry, along with that a cost effective manufacturing base keeps costs lower by 10-25 percent comparative to operations in other competitive countries.

Automotive Mission Plan 2016-26, launched by the Government of India collectively with Indian Automotive Industry, aims to make the Indian Automotive Industry a significant contributor to the "Skill India" programme and make it one of the largest job creating engines in the Indian economy. The plan focuses on establishment of automotive training institutes and auto design centres, special auto parks and auto component virtual SEZs, encouragement to fuel efficient technologies, setting up of a technology modernization fund focusing on small and medium enterprises etc.

**THREATS**

The auto component industry has various threats which are common to all the players of the industry and to some extent are by-products of the growth in this sector like stiff competition from foreign players who are playing at large scale and giving price competition to the local manufacturers, low Product differentiation. To some extent bargaining power of both the suppliers and clients is also affecting the industry. Softening of interest rate lower than expected, tightening money supply, volatility in the price of raw materials and other inputs, currency fluctuations, stringent emission norms are other major threats faced by the Companies.

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

Segment-wise performance report is forming part of the financial statements of this Annual Report.

**D. RISKS AND CONCERNS**

In today's high volatile and dynamic market no sector or industry is free from the risks and concerns whether they are due to changes in technology, regulatory changes or demand -supply factor. In such a big economy and largest democracy like India every industry is exposed to some level of risk.

Various operational risks like shortage of power which leads to increase in cost of production and change in technology which makes existing technology obsolete are major concern for the business. In addition to this, demand of auto component sector is dependent on the automobile sector which makes the market uncertain at times. Constantly changing regulatory environment always carries with it the risk of high taxes or duties which may increase cost to the company and also competition from foreign substitutes.

Apart from this, company also face foreign exchange risk, fluctuation in the price of raw material, excess capacity, entry of foreign players in the domestic market, high market share of unorganized sector etc.

To counter these risks, the Company has in place adequate risk measures and control systems which identify the risks, assess their severity, their potential effect on the performance of the Company through systematic report and charts. Reports generated from the system are monitored regularly to ensure that appropriate corrective actions are taken. Management of your company is continuously analyzing and evaluating various risks associated with the Company's business and has adopted risk management practices to minimize the adverse impact of these risks.

**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 system 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 applicable Corporate Laws of India. The management of your company 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.

**F. HUMAN RESOURCES AND DEVELOPMENT**

At SMIL we believe that the company can grow when its people grow. Your company always strives to achieve maximum employee satisfaction and has initiated many programs on up-skilling/ training and empowerment of its employees. The Company has criterias for hiring of best talent in the Company who can provide quality of work and add to the Company's growth.

The Company had 1184 permanent employees as on 31st March, 2016. The industrial relations remained peaceful and cordial throughout the year.

**G. 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 functional Heads and countersigned by Managing Director of the Company is placed at every Audit Committee Meeting.

Further pursuant to Listing Regulations, 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 Listing Regulations.

**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.

**Source:**

[www.makeinindia.com](http://www.makeinindia.com)

[www.ibef.org](http://www.ibef.org)



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Sharda Motor Industries Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 standalone 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 on standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the 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 representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 8.2 to the financial statements.
    - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For S.R. Dinodia & Co. LLP**

Chartered Accountants,  
Firm Registration Number 001478N/N500005

**(Pradeep Dinodia)**

Partner  
Membership No. 080617

Place of Signature: New Delhi

Date: 27th May, 2016

**Annexure 'A' to the Independent Auditors' Report of even date on the standalone financial statement of Sharda Motor Industries Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Sharda Motor Industries Limited ("the Company")** as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Dinodia & Co. LLP**

Chartered Accountants,

Firm Registration Number 001478N/N500005

**(Pradeep Dinodia)**

Partner

Membership No. 080617

Place of Signature: New Delhi

Date : 27th May, 2016

## Annexure 'B' To the Independent Auditors' Report

The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- i) In respect of fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at regular intervals. In accordance with this programme, all fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) On the basis of information and explanation provided by the management, title deeds of immovable properties are held in the name of the Company except lease deed under execution as disclosed in Note no 12 of financial statement. Two title deeds are mortgaged with the Banks for securing the long term borrowings, detail of the same are disclosed in Note No 5 of the financial statement.
- ii) In respect of its inventory:
  - a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year, except inventory in transit and lying with third parties. In our opinion the frequency of physical verification followed by the management is reasonable.
  - b) 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) According to the information and explanation given to us, the Company had not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) (a) to (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of Investments made during the year.
- v) The Company has not accepted any deposits from the public.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items maintained by the company as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities. Further there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became 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, duty of custom, wealth tax, service tax, duty of excise 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

4.	Central Excise Act	CENVAT Credit	3.20 lacs	F.Y. 2008-09 to 2012-13	Deputy Commissioner, Central Excise & Service Tax, LTU, New Delhi
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/ Damages	4.80 lacs	F.Y.2014-15	District Court, Saket

- viii) On the basis of information and explanation provided, Company has not defaulted in repayment of any loans or borrowings to the banks. However, there were no dues outstanding towards debenture holders as at March 31, 2016.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company has paid or provided managerial remuneration its directors during the year in accordance with provisions of section 197 read with Schedule V to the Companies Act as applicable to the Company.
- xii) The Company is not a Nidhi Company, accordingly paragraph 3(xii) of the Order is not applicable.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3 (xvi) of the Order are not applicable to the Company.

**For S. R. Dinodia & Co., LLP.**

Chartered Accountants,  
Firm Registration Number 001478N/N500005

**(Pradeep Dinodia)**

Partner  
Membership Number 080617

Place of Signature: New Delhi

Date : 27th May, 2016

**BALANCE SHEET AS AT MARCH 31, 2016**

(Currency : ₹ in Lacs except otherwise specified)

PARTICULARS	Note No.	As At March 31, 2016	As At March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	594.63	594.63
(b) Reserves and Surplus	4	22,472.03	19,944.25
		<b>23,066.66</b>	<b>20,538.88</b>
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	1,906.55	3,448.72
(b) Deferred Tax Liabilities (Net)	6	1,585.18	1,623.20
(c) Other Long Term Liabilities	7	127.59	153.15
(d) Long-Term Provisions	8	487.37	414.01
		<b>4,106.69</b>	<b>5,639.08</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	9	8,634.72	9,919.33
(b) Trade Payables	10	-	-
Total outstanding dues of micro enterprises & small enterprises		12,548.39	12,008.52
(c) Other Current Liabilities	11	3,945.00	3,185.52
(d) Short-Term Provisions	8	661.45	509.33
		<b>25,789.56</b>	<b>25,622.70</b>
<b>TOTAL</b>		<b>52,962.91</b>	<b>51,800.66</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible Assets		23,023.47	25,378.62
(ii) Intangible Assets		1,241.26	1,774.91
(iii) Capital Work-in-Progress	12	385.87	754.79
(b) Non-Current Investments	13.1	215.51	214.50
(c) Long-Term Loans and Advances	14	1,866.30	2,835.12
(d) Other Non-Current Assets	16.2	5.00	5.00
		<b>26,737.41</b>	<b>30,962.94</b>
<b>Current Assets</b>			
(a) Current investments	13.2	2,893.80	-
(b) Inventories	15	8,274.16	8,669.62
(c) Trade Receivables	16.1	10,199.71	9,933.25
(d) Cash and Other Bank Balances	17	3,698.71	1,514.84
(e) Short-Term Loans and Advances	14	833.35	712.34
(f) Other Current Assets	16.2	325.77	7.67
		<b>26,225.50</b>	<b>20,837.72</b>
<b>TOTAL</b>		<b>52,962.91</b>	<b>51,800.66</b>
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

**Pradeep Dinodia**  
Partner  
M.NO. 080617

**Kishan N Parikh**  
Chairman  
DIN 00453209

**Sharda Relan**  
Director  
DIN 00252181

Place : New Delhi  
Dated : 27th May, 2016

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

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

**Ajay Relan**  
Managing Director  
DIN 00257584

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016**

(Currency : ₹ in Lacs except otherwise specified)

PARTICULARS	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>I. Gross Income:</b>			
Gross Sale of Product & Services	110,367.36	104,076.26	
Less : Excise Duty	17,682.66	16,622.05	
Revenue from Operations	18	92,684.70	87,454.21
II. Other Income	19	1,405.12	980.36
<b>III. Total Revenue</b>		<b>94,089.82</b>	<b>88,434.57</b>
<b>IV. Expenses:</b>			
(a) <b>Cost of Materials Consumed</b>	20	59,491.43	56,397.01
(b) Purchase of Traded Goods	21	5,075.91	6,226.09
(c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	22	330.94	(525.96)
(d) Employee Benefits Expense	23	6,949.45	5,728.59
(e) Finance Costs	24	1,213.19	1,486.15
(f) Depreciation and Amortization Expense	12	4,421.52	5,200.49
(h) Other Expenses	25	11,205.55	10,478.84
<b>Total expenses</b>		<b>88,687.99</b>	<b>84,991.21</b>
<b>V. Profit before exceptional items &amp; tax</b>		<b>5,401.83</b>	<b>3,443.36</b>
VI. Exceptional items		357.43	-
<b>VII. Profit before tax</b>		<b>5,044.40</b>	<b>3,443.36</b>
<b>VIII. Tax expense:</b>			
Current Tax		1,730.00	707.00
Less: MAT credit entitlement		-	431.00
Net Current Tax expense		1,730.00	276.00
Deferred Tax		(38.02)	(445.38)
Tax Adjustment For Earlier Years		(69.98)	-
<b>IX. Profit after tax / Profit for the Year</b>		<b>3,422.40</b>	<b>3,612.74</b>
<b>X. Earnings Per Equity Share:</b>	29		
(1) Basic (In Rupees)		57.56	60.76
(2) Diluted (In Rupees)		57.56	60.76
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

**Pradeep Dinodia**  
Partner  
M.NO. 080617

**Kishan N Parikh**  
Chairman  
DIN 00453209

**Sharda Relan**  
Director  
DIN 00252181

Place : New Delhi  
Dated : 27th May, 2016

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

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

**Ajay Relan**  
Managing Director  
DIN 00257584



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH, 2016**

(Currency : ₹ in Lacs except otherwise specified)

PARTICULARS	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation & Extraordinary items	5,044.40	3,443.36
Adjustment for:		
Depreciation written off	4,421.52	5,200.49
Interest Income	(301.16)	(137.12)
Finance Cost	1,213.19	1,486.15
Dividend Income	(81.00)	(72.00)
(Profit) / Loss on Sale of Fixed Assets (Net)	(602.62)	(501.57)
Amount written off (net)	(33.88)	(192.17)
Unrealised Gain/ Loss on Reinstatement	(13.87)	157.74
Prior Period Income	-	(2.44)
Provision for Wealth Tax	-	2.50
<b>Operating profit before Working Capital changes</b>	<b>9,646.58</b>	<b>9,384.94</b>
Adjustment for:		
Decrease / (Increase) in Trade Receivables	(266.45)	580.42
Decrease / (Increase) in Increase in Inventories	395.45	(1,565.16)
Decrease / (Increase) in Other Receivables	(370.32)	1,042.40
Increase / (Decrease) in Trade Payable	539.87	1,419.99
Increase / (Decrease) in Other Payables	85.78	(234.03)
Amount written off (Net)	33.88	192.17
Unrealised Gain/ Loss on Reinstatement	13.87	(157.74)
Warranty Claims	87.14	93.77
<b>Cash Generated from operation</b>	<b>10,165.80</b>	<b>10,756.76</b>
Direct Taxes paid (Net of Income Tax Refund)	(1,071.13)	(796.66)
<b>Net Cash flow from Operating Activities (A)</b>	<b>9,094.67</b>	<b>9,960.10</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	2,952.94	1,961.63
Purchase of Fixed Assets/Technical know-how	(3,205.49)	(3,545.91)
Changes in Investment	(2,894.81)	(75.50)
Interest Received	301.16	137.12
Dividend Income	81.00	72.00
Creditors for Capital Expenditure	181.90	(343.70)
<b>Net Cash used in Investing Activities (B)</b>	<b>(2,583.30)</b>	<b>(1,794.36)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings (Net)	(2,308.81)	(8,100.08)
Finance Cost	(1,213.19)	(1,486.15)
Dividend paid (including Corporate Dividend Tax)	(805.50)	(704.61)
<b>Net Cash used in Financing Activities (C)</b>	<b>(4,327.50)</b>	<b>(10,290.84)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>2,183.87</b>	<b>(2,125.10)</b>
<b>CASH &amp; CASH EQUIVALENTS-OPENING BALANCES</b>	<b>1,514.84</b>	<b>3,639.94</b>
<b>CASH &amp; CASH EQUIVALENTS-CLOSING BALANCES</b>	<b>3,698.71</b>	<b>1,514.84</b>
<b>Cash &amp; Cash Equivalents include :</b>		
Cash in hand	0.82	0.71
<b>Balances with Scheduled Banks</b>		
- In Current Account	96.89	1,514.13
- In Deposit Account	3,601.00	-
	<b>3,698.71</b>	<b>1,514.84</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.

Significant Accounting policies

The accompanying notes are integral part of the financial statements

2

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

**Pradeep Dinodia**  
Partner  
M.NO. 080617

**Kishan N Parikh**  
Chairman  
DIN 00453209

**Sharda Relan**  
Director  
DIN 00252181

Place : New Delhi  
Dated : 27th May, 2016

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

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

**Ajay Relan**  
Managing Director  
DIN 00257584

## Notes to financial statements for the year ended March 31, 2016

### 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 except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### NOTE 2.1: SIGNIFICANT ACCOUNTING POLICIES

#### (a) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements. 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 realized 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

Fixed assets are stated at cost of acquisition inclusive of freight, duties & taxes and incidental expenses related to acquisition up to the date of installation. Cost of Fixed assets are further adjusted by the amount of Modvat/Cenvat credit availed and VAT credit wherever applicable. Interest and finance charges incurred are allocated to the respective fixed assets on installation. Fixed assets under construction, and cost of assets not put to use before year end are shown as capital work in progress while advance paid towards acquisition of fixed assets are shown as capital advance under the head Loans & Advances. Leasehold Improvements are amortized over the period of lease. 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.

Gain or loss arising on account of sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of assets and 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. 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 recognized 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. The Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined separately. The identification of significant components is matter of technical judgement and is decided on case to case basis; wherever applicable. Further as per Note No.7 of Part "C" of the said Schedule the carrying amount of the assets has been depreciated as follow: 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.
- 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) 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.

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

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

### 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.

## (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.

Stock in Transit is valued at lower of cost and net realizable value. Scrap is valued at estimated net realizable value.

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

**(f) Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

- a) 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.
- b) Sales include revision in prices received from customers with retrospective effect.
- c) Revenue relating to interest income is recognised on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists. Dividend income is recognized when the right to receive the dividend is established.

**(g) Purchases**

- a) Purchase of material is recognized on the basis of acceptance of material at the respective location.
- b) 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 & Derivatives**

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 except hedge transactions. The result exchange difference are recognised in Statement of Profit and Loss. Non-Monetary assets are recorded at the rates prevailing on the date of transaction.

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 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.

Wherever the variable interest in respect of External Commercial Borrowing is swapped for fixed interest rate, the fixed interest expenses is recognised in the Statement of Profit and Loss.

**(i) Borrowing Costs**

The borrowing costs which are directly attributable to the acquisition or construction of qualifying fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized as part of cost of the assets. All other borrowing costs are immediately recognised as an expense in the Statement of Profit and Loss.

**(j) Investments**

- a) Investments, which are readily realizable and not intended to be held for more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non-Current Investments. Current Investments are carried in the financial statements at lower of cost and fair value.
- b) Non-Current Investments are carried at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Investments.

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

- a) 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.
- b) 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 Benefits**

- 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.

**Other Long Term Benefits**

Long term compensated absences (EL) are provided for on the basis of actuarial valuation, using the Projected Unit Credit method, at the end of each financial year. Actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss.

**(m) Taxes on Income**

**(i) Current Tax**

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. The provisions of current tax is made after considering impact if any, of provisions contained in Income Computation Disclosure Standards (ICDS) issued by CBDT vide Notification S.O. 892(E) dated March 31, 2015.

**(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. Such assets are reviewed as at each balance sheet date to re-assess realization.

**(iii) Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognise MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(n) Provisions, Contingent Liabilities and Contingent Assets**

- a) Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.
- b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- c) Contingent Assets are neither recognized nor disclosed in the financial statements.

**(o) Leases**

The Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as Finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. The Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as Operating leases. Lease rentals in case of Operating leases are charged to the Statement of Profit & Loss on accrual basis on straight line basis.

**(p) Earnings Per Share**

- a) In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items.
- b) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- c) For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

**(q) Cash Flow**

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Accounting Standard -3 (AS-3) "Cash Flow Statement".

**(r) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(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 at each reporting date whether there is an indication that an asset or Cash Generating Unit (CGU) may be impaired. If any indication exists, the recoverable amount of the same is determined. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is reversed in Statement of Profit & Loss only if there has been a change in the assumptions used to determine the assets's recoverable amount since the last impairment loss was recognised.

**(u) Segment Reporting**

**Primary Segment:** The Company is engaged in the manufacturing and assembly of Auto Components and White Goods Components. Hence the reporting has been made for these two segments. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard-17 on Segment Reporting issued by Company (Accounts) Rules, 2014.

**Geographical Segment:** The Company sells its products mostly within India with insignificant export income and does not have any operations in economic environments with different risks and returns, hence, its considered operating in single geographical segment.



(Currency : ₹ in Lacs except otherwise specified)

## NOTE 3 : SHARE CAPITAL

### Authorised Shares

50,000,000 (March 31, 2015 : 50,000,000) Equity Shares of ₹10/- each

As At MARCH 31, 2016	As At MARCH 31, 2015
5,000.00	5,000.00
<b>5,000.00</b>	<b>5,000.00</b>

### Issued, Subscribed & Paid-up Shares

#### Equity Share Capital

5,946,326 (March 31, 2015: 5,946,326) Equity Shares of ₹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, 2016		March 31, 2015	
	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 ₹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, 2016, the amount of per share dividend recognized as distributions to Equity Shareholders was ₹12.50/- (March 31, 2015: ₹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, 2016		March 31, 2015	
	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
Mr. Aashim Relan	300,900	5.06	291,200	4.90

## NOTE 4 : RESERVES AND SURPLUS

(Currency : ₹ in Lacs except otherwise specified)

### Capital Reserve

Balance at the beginning of the year

Add : Addition during the year

Less: Utilised during the year

Closing balance

As At MARCH 31, 2016	As At MARCH 31, 2015
0.20	0.20
-	-
-	-
<b>0.20</b>	<b>0.20</b>

### General Reserve

Balance at the beginning of the year

18,425.68

15,425.68



Add : Addition during the year	2,600.00	3,000.00
Less: Utilised during the year	-	-
Closing balance	<b>21,025.68</b>	<b>18,425.68</b>
<b>Surplus / (Loss) as per Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year	1,518.37	1,758.54
Add:- Profit for the year	3,422.40	3,612.74
	<b>4,940.77</b>	<b>5,371.28</b>
<b>Less:- Appropriations:</b>		
- Interim Dividend (Dividend amount per share ₹6.25 (March 31,2015: ₹5)	371.64	297.32
- Proposed Dividend on Equity Shares (Dividend amount per share ₹ 6.25 (March 31, 2015: ₹5)	371.64	297.32
- Dividend Distribution Tax on Interim Dividend	75.67	59.45
- Dividend Distribution Tax on Proposed Dividend	75.67	60.87
- Transfer to General Reserves	2,600.00	3,000.00
- Depreciation Adjustment as per Schedule II of the Companies Act,2013 (net of deferred tax of ₹Nil (March 31, 2015: 66.26))	-	137.95
Total Appropriation	<b>3,494.62</b>	<b>3,852.91</b>
<b>Net Surplus in the Statement of Profit &amp; Loss</b>	<b>1,446.15</b>	<b>1,518.37</b>
<b>Total Reserves &amp; Surplus</b>	<b>22,472.03</b>	<b>19,944.25</b>

**NOTE 5 : LONG TERM BORROWINGS**

(Currency : ₹ in Lacs except otherwise specified)

	Non Current portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Secured Borrowings</b>				
<b>Term loans</b>				
<b>From Banks</b>				
External commercial borrowing	1,906.55	3,448.72	1,572.11	1,054.15
	<b>1,906.55</b>	<b>3,448.72</b>	<b>1,572.11</b>	<b>1,054.15</b>
Amount disclosed under 'Other Current Liabilities' (Note no. 11)	-	-	<b>1,572.11</b>	<b>1,054.15</b>
<b>Long Term Borrowings</b>	<b>1,906.55</b>	<b>3,448.72</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 installments 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 installments. 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.

**NOTE 6 : DEFERRED TAX LIABILITIES (NET)**

(Currency : ₹ in Lacs except otherwise specified)

	As At MARCH 31, 2016	As At MARCH 31, 2015
<b>Deferred Tax Liabilities</b>		
Fixed Assets: Impact of difference between Tax Depreciation and depreciation/ amortization charged for the financial reporting	1,879.70	1,766.46
<b>Total (A)</b>	<b>1,879.70</b>	<b>1,766.46</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	294.31	143.26
Provision for Lease Equalization	0.21	-
<b>Total (B)</b>	<b>294.52</b>	<b>143.26</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>1,585.18</b>	<b>1,623.20</b>

**NOTE 7 : OTHER LONG TERM LIABILITIES**

(Currency : ₹ in Lacs except otherwise specified)

	<b>Long Term</b>		<b>Current Portion</b>	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Gratuity	85.86	107.82	13.16	19.48
Advances from Customers	-	0.01	575.07	1,043.34
Others	41.73	45.32	-	-
	<b>127.59</b>	<b>153.15</b>	<b>588.23</b>	<b>1,062.82</b>
Amount disclosed under Other Current Liabilities (Current portion of long term liabilities)	-	-	<b>588.23</b>	<b>1,062.82</b>
	<b>-</b>	<b>-</b>	<b>588.23</b>	<b>1,062.82</b>

**NOTE 8 : PROVISIONS**

(Currency : ₹ in Lacs except otherwise specified)

	Long Term		Short Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Provision for Employee Benefits (Refer Note no. 23.1)</b>				
Leave Encashment	148.42	114.67	81.52	64.16
<b>Other Provisions</b>				
Provision for warranty claim (Refer Note no. 8.1)	338.34	299.34	132.61	84.48
Provision for Lease Equalization	0.61	-	-	-
Proposed dividend	-	-	371.65	297.32
Tax on proposed dividend	-	-	75.67	60.87
Wealth Tax	-	-	-	2.50
	<u>487.37</u>	<u>414.01</u>	<u>661.45</u>	<u>509.33</u>

**NOTE 8.1 : DISCLOSURE REQUIRED BY AS-29 (PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES)**

(Currency : ₹ in Lacs except otherwise specified)

	As At March 31, 2016	As At March 31, 2015
Opening balance (as on 1st April )	383.82	290.04
Provision made during the year	265.22	168.96
Amount used/reversed/paid during the year	178.09	75.18
<b>Closing balance (as on 31st March)</b>	<b>470.95</b>	<b>383.82</b>

**NOTE 8.2 CONTINGENT LIABILITIES**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Contingent liabilities</b>		
(a) Claims against the company not acknowledged as debts		
i) Disputed State Tax Matters	0.90	0.90
ii) Disputed Excise Matters	5.44	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	102.33
vi) Disputed Central Excise Matters	440.00	440.00
vii) Dispute with vendor	4.80	4.42
(b) Other money for which the company is contingently liable*	1,272.09	1,351.33
<b>Total</b>	<b>1,836.63</b>	<b>1,923.03</b>
i) Entry Tax of ₹ 0.90 Lacs (March 31, 2015: ₹ 0.90 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 ₹ 5.44 Lacs (March 31, 2015: ₹ 2.24 Lacs) ₹ 2.24 Lacs and ₹ 3.20 Lacs under Cenvat Credit Rules is pending before the Appellate Authority of LTU Delhi.		
iii) Service Tax of ₹ 11.07 Lacs (March 31, 2015: ₹ 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 ₹ Nil (March 31, 2015: ₹ 10.74 Lacs) for Financial Year 2008-09 which is pending before U.P. Sales Tax.
- v) Income Tax of ₹ 24.04, ₹39.26 & ₹ 39.03 Lacs (March 31, 2015: ₹24.04, ₹39.26 & ₹39.03 Lacs) for Assessment Year 2004-05, 2009-10 & 2011-12 respectively against which appeal has been filed before ITAT, New Delhi.
- vi) Excise Duty of ₹440 Lacs(March 31,2015: ₹440 Lacs) under Cenvat Credit Rules is pending before the Hon'ble Supreme Court of India.
- vii) Claim of ₹ 4.80 lacs (March 31, 2015: ₹4.42 lacs) for Financial Year 2015-16 which is pending before District Court,Saket.

\*Foreign Letters of Credit of ₹ 1272.09 Lacs (March 31, 2015: ₹1,351.33 Lacs)

## NOTE 9 : SHORT TERM BORROWINGS

(Currency : ₹ in Lacs except otherwise specified)

	As At March 31, 2016	As At March 31, 2015
<b>Secured Borrowing</b>		
<b>From Banks-Secured</b>		
Cash credit	3,935.21	1,577.14
Other	115.00	-
Bills Discounted	186.97	478.25
<b>Unsecured Borrowing</b>		
<b>From Related parties</b>	4,397.54	7,863.94
	<b>8,634.72</b>	<b>9,919.33</b>

### a) Cash 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: 10% - 11%

### b) Others

Secured against FDR's

### c) 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.

### d) Loans From Related Parties

Loans from Related Parties are payable on demand. The loan is taken on an interest rate of 10% - 11%.

## NOTE 10 : TRADE PAYABLE

(Currency : ₹ in Lacs except otherwise specified)

	As At March 31, 2016	As At March 31, 2015
<b>Trade Payables (Refer note below for details of dues to micro and small enterprises)</b>		
Amount due to Micro Small and Medium Enterprises		
Principal Amount	-	-
Interest Payble on Outstanding Amount	-	-
Amount due to Others	12,548.39	12,008.52
	<b>12,548.39</b>	<b>12,008.52</b>

- a) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2016 to micro, small & medium enterprises as defined in Industries (Development and Regulation) Act, 1951, is as given below :

(Currency: ₹ in Lacs except otherwise specified)

	As At March 31, 2016	As At March 31, 2015
<b>Particulars</b>		
i) The Principal amount & Interest due thereon remaining unpaid to any supplier as at end of the year		
Principal Amount	-	-
Interest	-	-
ii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-	-
iii) The amount of interest accrued and remaining unpaid for the year	-	-
	-	-

b) This information has been complied on the basis of information available with the Management as at March 31, 2016.

## NOTE 11 : OTHER CURRENT LIABILITIES

(Currency: ₹ in Lacs except otherwise specified)

	As At March 31, 2016	As At March 31, 2015
<b>Other Liabilities:</b>		
Current maturities of long-term borrowings (Note No. 5)	1,572.11	1,054.15
Interest Accrued but not due on borrowings	49.22	60.15
Interest Accrued and due on borrowings	52.02	-
Unclaimed dividend	45.91	41.29
Bank Overdraft	-	6.30
Statutory dues	1,145.51	650.72
Current portion of Long Term Liabilities (Note no. 7)	588.23	1,062.82
Creditors for Capital Expenditure	492.00	310.09
	3,945.00	3,185.52
	<b>16,493.39</b>	<b>15,194.04</b>

Note: The above does not includes any amount due to be transferred to investor education & protection fund.

## NOTE 11.1: PRE OPERATIVE EXPENDITURE AND CAPITAL WORK IN PROGRESS

(Currency: ₹ in Lacs except otherwise specified)

	As At March 31, 2016	As At March 31, 2015
(a) Pre Operative Expenditure	-	-
Less : Provision for pre-operative expenditure	-	-
	357.43	357.43
(b) Capital Work in Progress	385.87	754.79
<b>Total</b>	<b>385.87</b>	<b>754.79</b>

**NOTE 11.2: LEASES**

i) The Company has taken Factory Plot on non cancellable lease from M/s Om Exports Pvt Ltd. Lease Agreement was renewed on 20.01.2016 and is valid till 19.01.2021. Lease Rental ( including transfer to lease equalisation reserve) amounting to ₹ 39.38 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

<b>Particulars</b>	<b>As At March 31, 2016</b>
Not Later Than 1 year	44.29
Later than 1 year but not later than 5 years	168.34
<b>Total</b>	<b>212.63</b>

<b>Property Taken on Lease</b>	<b>Date of Termination of Lease</b>	<b>Escalation Clause</b>	<b>Terms of Renewal</b>	<b>Purchase Option</b>
Factory Plot at Gurgaon	19.01.2021	Yes	Yes	No

ii) The Company has taken Factory Plot on non cancellable lease from M/s Sharda Enterprises. Lease Agreement was renewed on 01.07.2015 and is valid till 30.06.2020. Lease Rental amounting to ₹ 48.08 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

<b>Particulars</b>	<b>As At March 31, 2016</b>
Not Later Than 1 year	48.00
Later than 1 year but not later than 5 years	192.00
<b>Total</b>	<b>240.00</b>

<b>Property Taken on Lease</b>	<b>Date of Termination of Lease</b>	<b>Escalation Clause</b>	<b>Terms of Renewal</b>	<b>Purchase Option</b>
Factory Plot at Gurgaon	30.06.2020	No	Yes	No

iii) The Company has taken a Guest House on non cancellable lease from Smt. Sharda Relan. Lease Agreement is valid till 30.11.2017. Lease Rental amounting to ₹ 60.10 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

<b>Particulars</b>	<b>As At March 31, 2016</b>
Not Later Than 1 year	60.00
Later than 1 year but not later than 5 years	40.00
<b>Total</b>	<b>100.00</b>

<b>Property Taken on Lease</b>	<b>Date of Termination of Lease</b>	<b>Escalation Clause</b>	<b>Terms of Renewal</b>	<b>Purchase Option</b>
Guest House at Delhi	30.11.2017	No	Yes	No

iv) The Company has taken a Factory Premises on non cancellable lease from M/s Sharda Enterprises. Lease Agreement is valid till 17.10.2017. Lease Rental amounting to ₹ 84.14 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

Particulars	As At March 31, 2016
Not Later Than 1 year	45.50
Later than 1 year but not later than 5 years	-
<b>Total</b>	<b>45.50</b>

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Premises at Binola	17.10.2017	No	Yes	No

v) The Company has taken a Factory Premises on non cancellable lease from M/s Mahindra Vehicle Manufacturers Ltd. Lease Agreement is valid till . Lease Rental amounting to ₹ 37.68 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

Particulars	As At March 31, 2016
Not Later Than 1 year	37.68
Later than 1 year but not later than 5 years	150.72
<b>Total</b>	<b>188.40</b>

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Premises at Chakan	22.02.2031	No	Yes	No

vi) The Company has taken a Factory Premises on non cancellable lease from M/s Sharda Auto Solutions Pvt Ltd . Lease Agreement is valid till 31.05.2016. Lease Rental amounting to ₹ 43.74 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

Particulars	As At March 31, 2016
Not Later Than 1 year	7.20
Later than 1 year but not later than 5 years	-
<b>Total</b>	<b>7.20</b>

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Premises at Chennai	31.05.2016	No	Yes	No



**Notes to financial statement for the year ended on March 31, 2016**
**NOTE - 12 : FIXED ASSETS**

(Currency : ₹ in Lacs except otherwise specified)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTIZATION					NET BLOCK	
	AS AT 01.04.15	ADDITION	SALE / ADJUSTMENT	AS AT 31.03.16	AS AT 01.04.15	ADDITION	SALE / ADJUSTMENT	ADJUSTMENT THROUGH RETAINED EARNINGS	AS AT 31.03.16	AS AT 31.03.15
<b>A - TANGIBLE ASSETS</b>										
<b>LAND</b>										
- Lease Hold	837.46	-	-	837.46	75.57	8.67	-	-	84.24	761.89
- Free Hold	1,410.09	-	-	1,410.09	6.78	-	-	-	6.78	1,403.31
Building	9,519.61	314.70	-	9,834.31	3,714.00	567.77	-	-	4,281.77	5,805.61
Plant & Machinery	30,304.83	3,317.37	2,792.98	30,829.22	14,952.59	2,780.14	446.96	-	17,285.77	15,352.24
Office Furniture & Equipment	1,512.76	109.26	1.81	1,620.21	1,160.53	132.47	1.72	-	1,291.28	352.23
Electric Fitting	2,922.13	78.46	6.33	2,994.26	1,545.97	262.68	5.80	-	1,802.85	1,376.16
Vehicle	1,275.38	27.71	17.68	1,285.41	948.20	100.59	13.99	-	1,034.80	327.18
<b>Total</b>	<b>47,782.26</b>	<b>3,847.50</b>	<b>2,818.80</b>	<b>48,810.96</b>	<b>22,403.64</b>	<b>3,852.32</b>	<b>468.47</b>	<b>-</b>	<b>25,787.49</b>	<b>25,378.62</b>
<b>B - INTANGIBLE ASSETS</b>										
Software Development	450.38	35.55	-	485.93	417.77	28.75	-	-	446.52	32.61
Technical Knowhow & Guidance	5,611.93	-	-	5,611.93	3,869.63	540.45	-	-	4,410.08	1,742.30
<b>Total</b>	<b>6,062.31</b>	<b>35.55</b>	<b>-</b>	<b>6,097.86</b>	<b>4,287.40</b>	<b>569.20</b>	<b>-</b>	<b>-</b>	<b>4,856.60</b>	<b>1,774.91</b>
<b>Total (A+B)</b>	<b>53,844.57</b>	<b>3,883.05</b>	<b>2,818.80</b>	<b>54,908.82</b>	<b>26,691.04</b>	<b>4,421.52</b>	<b>468.47</b>	<b>-</b>	<b>30,644.09</b>	<b>27,153.53</b>
<b>C - Capital Work In Progress</b>										
CWIP	754.79	44.39	413.31	385.87	-	-	-	-	-	754.79
<b>Grand Total (A+B+C)</b>	<b>54,599.36</b>	<b>3,927.44</b>	<b>3,232.11</b>	<b>55,294.69</b>	<b>26,691.04</b>	<b>4,421.52</b>	<b>468.47</b>	<b>-</b>	<b>30,644.09</b>	<b>27,908.32</b>
<b>Previous Year</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>27,908.32</b>	<b>30,574.98</b>

Note :

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

**NOTE 13 : INVESTMENTS**
**NOTE 13.1: NON CURRENT INVESTMENTS**

(Currency : ₹ in Lacs except otherwise specified)

	<b>As At March 31, 2016</b>	<b>As At March 31, 2015</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 (March 31, 2015: 9,000,000), including Bonus Shares of 4,500,000 of ₹ 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 (March 31, 2015: 5,000) of ₹ 10 each, fully paid up of Toyota Boshoku Relan India Pvt. Ltd.	0.50	0.50
7,50,000 Equity shares (March 31, 2015: 7,50,000) of ₹ 10 each, fully paid up of Toyo Sharda India Pvt. Ltd.	75.00	75.00
<b>Total Trade Investments (A)</b>	<b>165.50</b>	<b>165.50</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 (March 31, 2015: 490,000) of ₹ 10 each, fully paid up of Relan Industrial Finance Ltd.	49.00	49.00
<b>Other</b>		
Investment in Trust	1.01	-
<b>Total Non Trade Investments (B)</b>	<b>50.01</b>	<b>49.00</b>
<b>Total Non current Investment (A+B)</b>	<b>215.51</b>	<b>214.50</b>
Aggregate Book Value of Quoted Investments	90.00	90.00
Aggregate Market Value of Quoted Investments	3,240.00	2,641.50
Aggregate Value of Unquoted Investments	125.51	124.50
<b>NOTE 13.1: NON CURRENT INVESTMENTS</b>		
<b>Non-Trade Investments (Valued at cost unless otherwise stated)</b>		
<b>Investment in Mutual Fund</b>		
4042.97 ( March 31,2015 : Nil )	100.02	-
units of UTI -Liquid Cash Plan - Institutional Growth		
21726.73 (March 31,2015: Nil)	800.00	-
units of Reliance Liquid Fund - Treasury Plan -Growth Option		
49971.94 (March 31,2015: Nil)	1,193.78	-
units of Reliance Liquid Fund - Cash Plan - Growth Option		
33713.33 (March 31,2015: Nil)	800.00	-
units of SBI Premier Liquid Fund - Regular Plan - Growth		
<b>Total current Investment</b>	<b>2,893.80</b>	<b>-</b>
<b>Aggregate Book Value of Mutual Fund</b>	<b>2,893.80</b>	<b>-</b>
<b>Aggregate Market Value of Mutual Fund</b>	<b>2,897.36</b>	<b>-</b>

**NOTE 14 : LOANS AND ADVANCES**

(Unsecured considered good unless otherwise stated)

(Currency : ₹ in Lacs except otherwise specified)

	<b>Non Current</b>		<b>Current</b>	
	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Capital Advances</b>	726.04	1,034.65	-	-
(Unsecured, considered good)				
<b>Security Deposits</b>	196.83	205.64	-	-
(Unsecured, considered good)				
<b>Advances Recoverable in cash or in kind</b>	-	-	322.89	331.60
(Unsecured, considered good)				
<b>Other Loans &amp; Advances (Unsecured, considered good)</b>				
MAT Credit Entitlement	542.37	1,415.79	-	-
Advance tax (Net of Provision : ₹2886.05 Lacs)	379.18	97.18	-	-
Prepaid Expenses	21.88	81.86	196.99	169.41
Balance with Revenue Authorities	-	-	181.54	135.36
Advances to Vendors	-	-	131.93	75.97
	<b>1,866.30</b>	<b>2,835.12</b>	<b>833.35</b>	<b>712.34</b>
<b>Capital Commitments</b>				
Estimated amount of contracts remaining to be executed on capital account and not provided for in the Accounts, net of advance	481.55	990.62		
<b>Total</b>	<b>481.55</b>	<b>990.62</b>		

**NOTE 15 : INVENTORIES (As Certified by the Management)**

(Currency : ₹ in Lacs except otherwise specified)

	<b>As At March 31, 2016</b>	<b>As At March 31, 2015</b>
Raw materials	6,093.33	6,164.89
Consumable stores and Tools	308.51	284.38
Goods in Transit-Raw Material	125.86	142.95
Work In Progress	1,743.87	2,040.00
Finished Goods	2.59	16.09
Traded Goods	-	21.31
	<b>8,274.16</b>	<b>8,669.62</b>

**NOTE 16 : TRADE RECEIVABLES AND OTHER ASSETS**

(Currency : ₹ in Lacs except otherwise specified)

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Note 16.1: Trade Receivables</b>				
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding 6 months from the date they are due for payment				
Unsecured, Considered good	-	-	35.35	16.22
<b>Other Receivables</b>				
Unsecured, Considered good	-	-	10,164.36	9,917.03
	-	-	<b>10,199.71</b>	<b>9,933.25</b>
<b>Note 16.2: Other assets (Unsecured, considered good unless stated otherwise)</b>				
Other Receivables	-	-	216.82	1.16
Interest Accrued but not due on FDR	-	-	108.95	6.51
Non Current Bank Balances (Note no. 17)	5.00	5.00	-	-
	<b>5.00</b>	<b>5.00</b>	<b>325.77</b>	<b>7.67</b>
	<b>5.00</b>	<b>5.00</b>	<b>10,525.48</b>	<b>9,940.92</b>

**NOTE 17 : CASH AND BANK BALANCES**

(Currency : ₹ in Lacs except otherwise specified)

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Cash &amp; Cash Equivalent</b>				
Balances with Banks:-				
On Current Account	-	-	50.98	172.39
On EEFC Account	-	-	-	0.45
Unpaid Dividend Account	-	-	45.91	41.29
Deposit with original maturity for less than 3 months	-	-	200.00	1,300.00
Cash on hand	-	-	0.82	0.71
	-	-	<b>297.71</b>	<b>1,514.84</b>
<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	-	-	3,401.00	-
	<b>5.00</b>	<b>5.00</b>	<b>3,401.00</b>	-
Amount disclosed under Non Current Assets (Note no.16.2)	5.00	5.00	-	-
	-	-	<b>3,698.71</b>	<b>1,514.84</b>

**Note: Margin Money Deposit is Pledged with Canara Bank amounting to ₹ 5.00 Lacs (March 31, 2015: ₹ 5.00 Lacs)**

**NOTE 18 : REVENUE FROM OPERATIONS**

(Currency : ₹ in Lacs except otherwise specified)

	As At March 31, 2016	As At March 31, 2015
(a) Revenue from - Sale of Product		
- Finished goods	123,750.90	112,955.10
- Traded goods	5,941.98	7,250.32
	129,692.88	120,205.42
Less: Inter Unit Transfer	20,170.76	17,003.94
Net Revenue from sale of Product	109,522.12	103,201.48
(b) Revenue from-Sale of Services	0.83	45.23
(c) Other Operating Revenues	844.41	829.55
(d) Less: Excise duty	17,682.66	16,622.05
<b>Total</b>	<b>92,684.70</b>	<b>87,454.21</b>

# Excise Duty on sales amounting to ₹17,682.66 Lacs (March 31, 2015 : ₹16,622.05 Lacs) has been reduced from sales in Statement of Profit & Loss and Excise duty on increase/(decrease) in stock amounting to ₹(1.50) Lacs (March 31, 2015 : ₹1.11 Lacs) has been considered as (income)/expense in Note No. 25 of the financial statements.

**Details of product sold**
**a) Finished goods sold (Net of Inter Unit Transfer)**

-Metal Parts	83,378.88	78,410.34
-Fabric	18,051.77	14,699.56
-White Goods	2,149.49	2,841.26
	<b>103,580.14</b>	<b>95,951.16</b>

**b) Traded goods sold**

- Auto components	5,941.98	7,250.32
	<b>5,941.98</b>	<b>7,250.32</b>

**Net Revenue from sale of product**
**109,522.12**      **103,201.48**
**c) Earning in foreign currency**

F.O.B. value of exports	3,124.69	2,900.75
	<b>3,124.69</b>	<b>2,900.75</b>

**Details of Sale of Services**

a) Job Work	0.83	45.23
	<b>0.83</b>	<b>45.23</b>

**Details of Other Operating Revenues**

a) Sale of Scrap	639.80	609.85
b) Design & Development Income	204.61	219.70
	<b>844.41</b>	<b>829.55</b>

**NOTE 19 : OTHER INCOME**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income from		
FDR's	285.43	65.08
Others	15.73	72.04
Dividend Income from		
Non Current Investment - Trade	81.00	72.00
Income on redemption of mutual fund (current investment)	14.69	-
Profit from Sale of Tools and Assets	602.62	501.57
Prior Period Income ((Refer Details below Note 25)	-	2.44
Other Income	405.65	267.23
	<b>1,405.12</b>	<b>980.36</b>

**NOTE 20 : COST OF MATERIAL CONSUMED**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>1 Raw Material</b>		
(a) Balances of Raw Material at the beginning of the year	6,449.26	5,445.41
(b) Add:- Purchases during the year	59,444.01	57,400.86
(c) Less:- Balances of Raw Material at the end of the year	6,401.84	6,449.26
(d) Cost of Raw Material Consumed	<b>59,491.43</b>	<b>56,397.01</b>
<b>a) Details of raw material and components consumed</b>		
Steel	18,921.77	17,686.96
Fabric	10,775.45	10,182.26
Others	29,794.21	28,527.79
	<b>59,491.43</b>	<b>56,397.01</b>
<b>b) C.I.F Value of imports</b>		
Raw material	13,097.87	13,669.21
Capital Goods	280.61	895.12
Machinery Spares & Consumables	330.72	209.03
	<b>13,709.20</b>	<b>14,773.36</b>

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

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	%	For the year ended March 31, 2015	%
-Imported	13,928.38	23.41	12,639.18	22.41
-Indigenous	45,563.05	76.59	43,757.83	77.59
	<b>59,491.43</b>	<b>100.00</b>	<b>56,397.01</b>	<b>100.00</b>

**NOTE 21 : PURCHASES OF STOCK - IN - TRADE**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Auto components	5,075.91	6,226.09
	<b>5,075.91</b>	<b>6,226.09</b>

**NOTE 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK IN TRADE**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Inventories at the beginning of the year</b>		
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>
<b>Inventories at the end of the year</b>		
Finished goods	2.59	16.09
Traded goods	-	21.31
Work- in- progress	1,743.87	2,040.00
	<b>1,746.46</b>	<b>2,077.40</b>
<b>(Increase)/Decrease in inventory</b>	<b>330.94</b>	<b>(525.96)</b>
<b>Details of Inventory</b>		
<b>Finished goods</b>		
Metals parts	0.50	6.99
Fabrics	1.90	8.40
White Goods	0.19	0.70
	<b>2.59</b>	<b>16.09</b>
<b>Traded goods</b>		
Audio video	-	21.31
<b>Work- in- Progress</b>		
Metal Parts	1,315.58	1,344.36
Fabric	404.25	687.25
White Goods	24.04	8.39
	<b>1,743.87</b>	<b>2,040.00</b>

**NOTE 23 : EMPLOYEE BENEFITS EXPENSE**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Wages & Other Benefits	1,731.00	1,372.04
Salaries & Other Benefits	3,580.31	2,878.00
Director's Remuneration	608.87	485.71
Contribution to Provident and other funds	363.69	319.79
Gratuity (refer note below)	99.81	127.65
Staff Welfare Expenses	565.77	545.40
	<b>6,949.45</b>	<b>5,728.59</b>



**NOTE 23.1: EMPLOYEE BENEFITS**

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 :

(Currency : ₹ in Lacs except otherwise specified)

	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
Employer's Contribution to Provident Fund/ Pension Fund	327.24	277.88
Employer's Contribution to Employees State Insurance Scheme	35.52	41.20
Employer's Contribution to Employees Welfare Fund	0.93	0.71
	<b>363.69</b>	<b>319.79</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 March 31, 2016).

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:

**I. Changes in present value of Defined Benefit obligations :**

(Currency : ₹ in Lacs except otherwise specified)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation as at the beginning of the year	605.30	178.83	526.67	150.28
Current Service Cost	93.24	68.78	76.54	35.83
Past Service Cost	-	-	-	-
Interest Cost	47.21	13.95	47.93	13.68
Actuarial (gain) / loss on obligations	2.57	(21.85)	42.74	(5.55)
Benefits paid	(15.77)	(9.77)	(88.58)	(15.41)
Defined Benefit obligation at the year end	<b>732.55</b>	<b>229.94</b>	<b>605.30</b>	<b>178.83</b>

**II. Change in the Fair Value of Plan Assets**

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning of the year	478.00	464.32
Expected return on plan assets	43.02	40.63
Actuarial gain/ (loss)	0.20	(1.07)
Employer Contribution	128.08	62.71
Benefits paid	(15.77)	(88.58)
Fair value of plant assets at the year end	<b>633.53</b>	<b>478.01</b>

**III. Change in the Fair Value of assets and obligation**

(Currency : ₹ in Lacs except otherwise specified)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of obligation	732.55	229.94	605.30	178.83
Fair value of plan assets	633.53	-	478.01	-
Amount recognized in balance sheet	<b>99.02</b>	<b>229.94</b>	<b>127.29</b>	<b>178.83</b>

**IV. Expenses/ (Income) recognized in the Statement of Profit & Loss**

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	93.24	68.78	76.54	35.83
Past Service Cost	-	-	-	-
Interest Cost	47.21	13.95	47.93	13.68
Expected Return on plan assets	(43.02)	-	(40.63)	-
Actuarial (gain)/ loss	2.37	(21.85)	43.81	(5.55)
Net Cost	<b>99.80</b>	<b>60.88</b>	<b>127.65</b>	<b>43.96</b>

**V. Investment details of plan assets**

Particulars	Gratuity (Funded)
Insured with LIC	<b>100%</b>

**VI. Actuarial Assumptions**

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Mortality Table (LIC)	2006-2008 (Ultimate)	2006-2008 (Ultimate)	2006-2008 (Ultimate)	2006-2008 (Ultimate)
Discount rate (per annum)	7.70%	7.70%	7.80%	7.80%
Expected rate of return on plan assets (per annum)	8.35%	0.00%	9.00%	0.00%
Rate of increase in Compensation levels	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>

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**

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
	Gratuity Scheme Funded Plan	Leave encashment Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Leave encashment Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Leave encashment Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Leave encashment Scheme Unfunded Plan
Present value of defined benefit obligation (DBO)	605.30	178.83	526.67	150.28	463.04	150.43	388.59	117.42
Value of plan assets	478.01	-	464.32	-	413.13	-	330.79	-
<b>Deficit / (Surplus)</b>	<b>(127.29)</b>	<b>(178.83)</b>	<b>(62.35)</b>	<b>(150.28)</b>	<b>(49.91)</b>	<b>(150.43)</b>	<b>(57.80)</b>	<b>(117.42)</b>

**NOTE 24 : FINANCE COST**

(Currency : ₹ in Lacs except otherwise specified)

	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
Interest Expense	1,179.86	1,452.82
Other Borrowing Costs	33.33	33.33
	<b>1,213.19</b>	<b>1,486.15</b>

**NOTE 25 : OTHER EXPENSES**

(Currency : ₹ in Lacs except otherwise specified)

	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
Consumable Tools	219.20	148.30
Power & Fuel	1,292.77	1,248.34
Hire Labour Charges	4,514.07	3,854.26
Manufacturing expenses	200.04	481.11
Rent, Rates & Taxes	348.54	354.18
Incremental effect of Excise Duty on Finished Goods	(1.50)	1.11
Repair & maintenance		
- Repair to Building	23.97	30.64
- Repair to Plant & Equipments*	429.15	437.67
- Repair Others	255.66	193.85
Exchange Fluctuation	82.60	266.05
Royalty	30.34	66.55
Research & Development expenses (Refer Details below)	847.78	656.03
Travelling & conveyance	745.31	717.42
Insurance	60.99	51.93
Communication cost	71.85	65.57
Director's sitting fee & commission	16.03	49.10
Legal & Professional expenses	222.29	213.38
CSR Expenses	10.00	-
Prior Period Items((Refer Details below)	2.20	-
Selling Expenses	140.15	139.44
Packing Material	137.57	158.40
Freight Outward	493.17	450.98
Auditor's Remuneration (Refer Details below)	18.54	19.21
Miscellaneous expenses	1,044.83	875.32
	<b>11,205.55</b>	<b>10,478.84</b>

\* Includes value of Stores and Spares consumed of ₹109.67 lacs (March 31, 2015 : ₹117.50 Lacs). Refer point (c) below.

**a) Payment to Auditor**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
As Auditor		
Audit fee	12.00	12.00
Tax Audit fee	3.50	3.50
In other capacity		
Certification and Consultation Fees	2.50	3.10
Reimbursement of expenses	0.54	0.61
	<b>18.54</b>	<b>19.21</b>

**b) Expenditure incurred in Foreign Currency**

Foreign Traveling	340.45	277.75
Royalty	30.34	63.38
Interest on Loan	153.25	159.76
Technical Know-how / Guidance Fee / Consultancy	62.15	57.94
Repair and Maintenance	44.52	-
Buyers Credit Interest	-	17.67
Subscription & Fee	1.40	1.26
	<b>632.11</b>	<b>577.76</b>

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

(Currency : ₹ in Lacs except otherwise specified)

		%		%
Imported	25.20	22.98	27.71	23.58
Indigenous	84.47	77.02	89.79	76.42
	<b>109.67</b>	<b>100</b>	<b>117.50</b>	<b>100.00</b>

**d) Research & Development Expenses**

Research &amp; Development expenses include:

- Purchases	48.94	11.52
- Salary, Wages and other allowance	308.78	259.55
- Travelling Expenses	102.18	75.58
- Design, Development and other expenses	387.88	309.38
	<b>847.78</b>	<b>656.03</b>

**e) Company's R&D Centre at Chennai which is recognized at DSIR, Govt. of India upto 31.03.2020 has incurred following expenditure from the year 2005-06 to 2015-16**

(Currency : ₹ in Lacs except otherwise specified)

Financial Year	Capital Expenses	Revenue Expenses
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

Financial Year	Capital Expenses	Revenue Expenses
2012-13	93.07	425.85
2013-14	2,034.23	679.24
2014-15	79.63	656.03
2015-16	456.72	847.78

**f) Prior Period Expense**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Freight Outward ( Truck Expenses )	1.42	-
Repair & Maintenance ( Machinery )	0.79	-
	<b>2.20</b>	<b>-</b>
<b>Prior Period Income</b>	-	2.44
	<b>-</b>	<b>2.44</b>

**NOTE 26: Exceptional items**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Pre-Operative Expenses Written Off	357.43	-
	<b>357.43</b>	<b>-</b>

**NOTE 27: FINANCIAL AND DERIVATIVE INSTRUMENTS**

(Currency : ₹ in Lacs except otherwise specified)

	No of Contracts	For the year ended March 31, 2016	No of Contracts	For the year ended March 31, 2015
Foreign currency exposure hedged by derivative instruments	2	3,478.66	2	4,502.87
Foreign currency exposure that are not hedged by derivative instruments		2,026.06		2,884.96
		<b>5,504.72</b>		<b>7,387.83</b>

**i. Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :**

(Currency : ₹ in Lacs except otherwise specified)

	For the year ended March 31, 2016	For the year ended March 31, 2015
-Trade Payables	1,316.52	2,120.23
-Trade Receivables	594.13	728.68
-Advance to Vendors	115.41	36.05
	<b>2,026.06</b>	<b>2,884.96</b>

**ii. Particulars of hedged Foreign Currency Exposure as at Balance Sheet date:**
**a) Foreign Currency ECB**

-CTBC Loan US\$ 6 ML	2,988.00	3,735.00
-CITI Bank US\$ 2.0 ML	490.66	767.87
	<b>3,478.66</b>	<b>4,502.87</b>

**NOTE 28: 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**

Particulars	For the Year Ended 31st March, 2016			For the Year Ended 31st March, 2015		
	Automotive Components & Accessories	White Goods	Total	Automotive Components & Accessories	White Goods	Total
External Sales (Gross)	107,373.46	2,149.49	109,522.95	100,405.45	2,841.26	103,246.71
Less: Excise duty	17,440.02	242.64	17,682.66	16,320.57	301.48	16,622.05
Other Income	1,866.60	0.02	1,866.62	1,594.53	13.80	1,608.33
<b>Segment Revenue</b>	<b>91,800.04</b>	<b>1,906.87</b>	<b>93,706.91</b>	<b>85,679.41</b>	<b>2,553.58</b>	<b>88,232.99</b>
Un-allocated Income	-	-	382.90	-	-	201.58
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>94,089.81</b>	<b>-</b>	<b>-</b>	<b>88,434.57</b>
<b>Segment Results</b>	<b>8,783.93</b>	<b>(52.45)</b>	<b>8,731.48</b>	<b>7,234.88</b>	<b>(119.91)</b>	<b>7,114.97</b>
Un-allocated Expenses	-	-	2,116.46	-	-	2,185.46
<b>Operating Profit</b>	<b>-</b>	<b>-</b>	<b>6,615.02</b>	<b>-</b>	<b>-</b>	<b>4,929.51</b>
Less: Exceptional Items	-	-	357.43	-	-	-
Interest Expenses (Net)	-	-	1,213.19	-	-	1,486.15
Current Income Tax	-	-	1,730.00	-	-	276.00
Deferred Tax	-	-	(38.02)	-	-	(445.38)
Tax adjustment for earlier year (Net)	-	-	(69.98)	-	-	-
<b>Profit after tax</b>	<b>-</b>	<b>-</b>	<b>3,422.40</b>	<b>-</b>	<b>-</b>	<b>3,612.74</b>
<b>Segment Assets</b>	<b>22,376.26</b>	<b>1,007.02</b>	<b>23,383.28</b>	<b>22,306.46</b>	<b>1,110.87</b>	<b>23,417.33</b>
Un-allocated Assets	-	-	29,579.63	-	-	28,383.33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>52,962.91</b>	<b>-</b>	<b>-</b>	<b>51,800.66</b>
<b>Segment Liabilities</b>	<b>14,812.03</b>	<b>399.89</b>	<b>15,211.92</b>	<b>13,739.42</b>	<b>463.54</b>	<b>14,202.96</b>
Un-allocated Liabilities	-	-	14,684.34	-	-	17,058.81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>29,896.26</b>	<b>-</b>	<b>-</b>	<b>31,261.77</b>
<b>Capital Expenditure</b>	<b>3,874.08</b>	<b>8.97</b>	<b>3,883.05</b>	<b>4,156.53</b>	<b>0.15</b>	<b>4,156.68</b>
<b>Depreciation/ Amortisation</b>	<b>4,334.87</b>	<b>86.65</b>	<b>4,421.52</b>	<b>5,092.89</b>	<b>107.60</b>	<b>5,200.49</b>

**NOTE 29 : EARNINGS PER SHARE**

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

Particulars	2015-16	2014-15
Profit/(Loss) attributable to Equity Shareholders (₹)- (A)	3,422.40	3,612.74
Basic/Weighted average number of Equity shares outstanding during the year - (B)	59.46	59.46
Nominal Value of Equity Shares (₹)	10	10
<b>Basic/Diluted earnings per share (₹) - (A/B)</b>	<b>57.56</b>	<b>60.76</b>

**NOTE 30 : RELATED PARTY DISCLOSURES (AS18)**

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. b) Bharat Seats Ltd.	Associate Companies
a) Toyo Sharda India (P) Ltd. b) Toyota Boshoku Relan India (P) Ltd.	Joint Venture Companies
a) Mr.N.D Relan (Co-Chairman) 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)	Key Managerial Personnel
a) Mr.Rohit Relan 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	Relatives of Key Managerial Personnel
a) Sharda Enterprises b) N.D.Relan (HUF) 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.	Enterprises over which Key Managerial Personnel are able to Exercise significant influence

\* Mr. Udayan Banerjee (Executive Director) was 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.	- (-)	33578.88 (29192.39)	- (-)	- (-)	- (-)
ii)	Loans taken during the year - N.D. Relan - Ajay Relan - Rohit Relan - Sharda Relan	- (-) - (-) - (-) - (-)	- (-) - (-) - (-) - (-)	- (-) - (-) - (-) - (-)	82.37 (352.56) 146.04 (726.97) - (-) - (-)	- (-) - (-) 151.83 (567.27) 85.21 (277.85)
iii)	Loan repaid during the Year - N.D. Relan - Ajay Relan - Rohit Relan - Sharda Relan	- (-) - (-) - (-) - (-)	- (-) - (-) - (-) - (-)	- (-) - (-) - (-) - (-)	1450.71 (103.74) 513.87 (139.97) - (-) - (-)	- (-) - (-) 466.32 (110.06) 1502.94 (14.73)
iv)	Interest paid on loans during the Year - N.D. Relan - Ajay Relan - Rohit Relan - Sharda Relan	- (-) - (-) - (-) - (-)	- (-) - (-) - (-) - (-)	- (-) - (-) - (-) - (-)	155.07 (149.27) 258.31 (248.45) - (-) - (-)	- (-) - (-) 270.25 (264.58) 129.63 (150.97)
v)	Rent paid during the Year Sharda Auto Solutions Pvt. Ltd. -Sharda Relan -Sharda Enterprises	- (-) - (-) - (-)	- (-) - (-) - (-)	46.47 (45.84) - (-) 150.34 (148.31)	- (-) - (-) - (-)	- (-) 68.34 (67.42) - (-)



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
vi)	Remuneration paid					
	- N.D. Relan	-	-	-	305.72	-
		(-)	(-)	(-)	(209.35)	(-)
	- Ajay Relan	-	-	-	281.39	-
		(-)	(-)	(-)	(250.28)	(-)
	- Udayan Banerjee	-	-	-	-	-
		(-)	(-)	(-)	(14.38)	(-)
	-B. Mitra	-	-	-	21.76	-
		(-)	(-)	(-)	(11.70)	(-)
vii)	Salary Paid					
	-Pradeep Rastogi	-	-	-	21.58	-
		(-)	(-)	(-)	(20.00)	(-)
	-Nitin Vishnoi	-	-	-	13.91	-
		(-)	(-)	(-)	(12.53)	-
	-Mala Relan	-	-	-	-	14.61
		(-)	(-)	(-)	(-)	(14.84)
	-Aashim Relan	-	-	-	-	24.86
		(-)	(-)	(-)	(-)	(24.67)
viii)	Commission Paid					
	-Rohit Relan	-	-	-	-	-
		(-)	(-)	(-)	(-)	(17.00)
	-Sharda Relan	-	-	-	-	-
		(-)	(-)	(-)	(-)	(17.00)
ix)	Dividend Paid					
	- N.D. Relan	-	-	-	50.73	-
		(-)	(-)	(-)	(45.10)	(-)
	- Ajay Relan	-	-	-	88.36	-
		(-)	(-)	(-)	(78.54)	(-)
	- Nitin Vishnoi	-	-	-	0.11	-
		(-)	(-)	(-)	(0.10)	(-)
	-Sharda Relan	-	-	-	-	78.47
		(-)	(-)	(-)	(-)	(69.75)
	-Rohit Relan	-	-	-	-	48.24
		(-)	(-)	(-)	(-)	(42.88)
	-Aashim Relan	-	-	-	-	33.37
		(-)	(-)	(-)	(-)	(29.12)
	-Ayush Relan	-	-	-	-	11.70

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
		(-)	(-)	(-)	(-)	(10.40)
	-Pranav Relan	-	-	-	-	14.37
		(-)	(-)	(-)	(-)	(12.62)
	-Rishabh Relan	-	-	-	-	17.35
		(-)	(-)	(-)	(-)	(14.88)
	-Mala Relan	-	-	-	-	55.83
		(-)	(-)	(-)	(-)	(49.63)
	-Ritu Relan	-	-	-	-	83.53
		(-)	(-)	(-)	(-)	(74.25)
	-Aashita Relan	-	-	-	-	0.48
		(-)	(-)	(-)	(-)	(0.27)
	-Ajay Relan(HUF)	-	-	2.16	-	-
		(-)	(-)	(1.92)	(-)	(-)
	-ND Relan (HUF)	-	-	3.38	-	-
		(-)	(-)	(3.00)	(-)	(-)
	-Rohit Relan (HUF)	-	-	5.00	-	-
		(-)	(-)	(4.44)	(-)	(-)
x)	Sitting Fee Paid					
	-Sharda Relan	-	-	-	-	3.60
		(-)	(-)	(-)	(-)	(3.00)
	-Rohit Relan	-	-	-	-	1.60
		(-)	(-)	(-)	(-)	(0.80)
xi)	Sale of Fixed Assets					
	-Bharat Seats Limited	-	1689.09	-	-	-
		(-)	(1052.84)	(-)	(-)	(-)
xii)	Expenses paid					
	- A.N.I Hospitality LLP	-	-	1.41	-	-
		(-)	(-)	(1.36)	(-)	(-)
	-Toyota Boshoku Relan India (P) Ltd.	60.42	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	-Toyo Sharda India (P) Ltd.	295.79	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
xiii)	Advance Received from Customers					
	-Bharat Seats Limited (Tooling Advance)	-	702.83	-	-	-
		(-)	(1098.80)	(-)	(-)	(-)
xiv)	Expenses Incurred on their behalf					
	-Toyota Boshoku Relan India (P) Ltd.	-	-	-	-	-

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
		(8.62)	(-)	(-)	(-)	(-)
	-Toyo Sharda India (P) Ltd.	-	-	-	-	-
		(3.59)	(-)	(-)	(-)	(-)
xv)	Advance Adjusted					
	-Bharat Seats Limited	-	1465.96	-	-	-
		(-)	(1052.84)	(-)	(-)	(-)
xvi)	Purchase of Fixed Assets					
	-Progressive Engineering & Automation Pvt. Ltd.	-	-	-	-	-
		(-)	(-)	(11.10)	(-)	(-)
xvii)	Dividend Received					
	-Bharat Seats Limited	-	81.00	-	-	-
		(-)	(72.00)	(-)	(-)	(-)
xviii)	Investment In Shares					
	-Toyota Boshoku Relan India Pvt. Ltd.	-	-	-	-	-
		(75.00)	(-)	(-)	(-)	(-)
	-Toyo Sharda India Pvt. Ltd.	-	-	-	-	-
		(0.50)	(-)	(-)	(-)	(-)
xix)	Net Outstanding Balance payable / (Receivable) as on 31.03.2016					
	-Progressive Engineering & Automation Pvt. Ltd.	-	-	-	-	-
		(-)	(-)	(11.10)	(-)	(-)
	- N.D. Relan	-	-	-	93.51	-
		(-)	(-)	(-)	(1406.38)	(-)
	- Ajay Relan	-	-	-	2153.17	-
		(-)	(-)	(-)	(2467.07)	(-)
	-B. Mitra	-	-	-	1.11	-
		(-)	(-)	(-)	(1.31)	(-)
	-Pradeep Rastogi	-	-	-	1.58	-
		(-)	(-)	(-)	(1.59)	(-)
	-Nitish Vishnoi	-	-	-	0.96	-
		(-)	(-)	(-)	(1.17)	(-)
	-Rohit Relan	-	-	-	-	2272.87
		(-)	(-)	(-)	(-)	(2584.50)
	-Sharda Relan	-	-	-	-	29.56
		(-)	(-)	(-)	(-)	(1457.08)
	-Mala Relan	-	-	-	-	0.61

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
	-Aashim Relan	(-)	(-)	(-)	(-)	(0.88)
		-	-	-	-	1.08
		(-)	(-)	(-)	(-)	(1.17)
xx)	Balance Receivable as on 31.03.2016					
	-Bharat Seats Limited	-	3918.70	-	-	-
		-	(1406.17)	(-)	(-)	(-)
xxi)	Balance Payable as on 31.03.2016					
	-Toyota Boshoku Relan India (P) Ltd.	46.49	-	-	-	-
		(8.62)	(-)	(-)	(-)	(-)
	-Toyo Sharda India (P) Ltd.	43.24	-	-	-	-
		(3.59)	(-)	(-)	(-)	(-)

**\*Notes**

- 1) Remuneration paid to Shri N.D. Relan and Shri Ajay Relan includes the arrear of ₹ 58.92 Lacs and ₹ 47.49 Lacs of FY 2014-15 respectively post Central Government approval for the FY 2014-15.
- 2) During the year, the company has purchased/sold certain investments aggregating to ₹ 96,948.53 Lacs through associate company Relan Industrial Finance Ltd by using its net banking facility at BSE portal. At the year end, there was no transaction outstanding with the said associate company and it does not have any financial impact on financial statements of the company.

**NOTE 31 : 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 :

(Currency : ₹ in Lacs except otherwise specified)

S. No.	Name of Jointly Controlled entities *	Company's Share			
		As at March 31, 2016		For the year 2015-16	
		Assets	Liabilities	Income	Expenses
1	Toyota Boshoku Relan India Pvt. Ltd.	23.85	58.80	26.84	13.44
2	Toyo Sharda India Pvt. Ltd.	156.13	93.44	177.36	189.67

\* The above disclosure for the year ended March 31, 2016 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 March 31, 2016.

**Notes :**

- i) Figures in brackets ( ) relate to previous year
- ii) Share of Contingent liabilities incurred in relation to interests in joint ventures as at March 31, 2016: ₹ NIL (March 31, 2015 ₹ NIL)
- iii) Share of Capital Commitments incurred in relation to interests in joint ventures as at March 31, 2016 : ₹ NIL ( March 31, 2015 ₹ NIL )

**NOTE 32: CSR Expenditure**

- (a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 62.22 Lacs.
- (b) Amount spent during the year:

S. No.	Purpose for which expenditure incurred	Amount (₹) In Cash/ Cheque	Remarks	Total	Outstanding Amount to be Spent for FY 2015-16
(i)	Construction/acquisition of any asset	-	-	-	-
(ii)	On purposes other than (i) above	5.00	Payment to Rotary Club	10.00	52.22
		5.00	Payment to Sharda CSR Foundation Trust		

**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.

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

**Pradeep Dinodia**  
Partner  
M.NO. 080617

**Kishan N Parikh**  
Chairman  
DIN 00453209

**Sharda Relan**  
Director  
DIN 00252181

Place : New Delhi  
Dated : 27th May, 2016

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

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

**Ajay Relan**  
Managing Director  
DIN 00257584

## Independent Auditors' Report

**To the Members of Sharda Motor Industries Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **M/s Sharda Motor Industries Limited** (hereinafter referred to as "the Holding Company"), its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at **March 31, 2016**, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

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

The Holding 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 consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 thereunder.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Holding Company, its associates and its jointly controlled entities as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

**Other Matters**

- a) We did not audit the financial statements of one associate company, whose financial statements reflect total assets of ₹ 25,509.33 lacs as at March 31, 2016, total revenues of ₹ 70,203.47 lacs and net cash flows amounting to ₹ 1.62 lacs for the year ended on March 31, 2016, as considered in the accompanying consolidated financial statements.

The consolidated financial statements also include the Holding Company's share of net profit of ₹ 183.13 lacs for the year ended March 31, 2016 as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of aforesaid associates, and our report in terms of sub section (3) of section 143 of the act, in so far as it relates to the aforesaid associates, is based solely on the report of the other auditor.

- b) We have relied on the unaudited financial statements of one associate company, whose financial statements reflect total assets of ₹ 468.15 lacs as at March 31, 2016, total revenues, net cash flows and net profit ₹ 48.96 lacs, ₹ 18.12 lacs and ₹ 8.71 lacs respectively for the year ended on March 31, 2016 as considered in the consolidated financial statements and in respect of two jointly controlled entities, in which Holding Company's proportionate share in total assets of ₹ 179.97 lacs as at March 31, 2016, total revenues, net cash flows and loss of ₹ 204.20 lacs, ₹ 21.14 lacs and ₹ 1.46 lacs respectively for the year then ended, as considered in the accompanying consolidated financial statements. These financial statements are unaudited and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of one associate company and two jointly controlled entities, and our report in terms of sub section (3) of section 143 of the act, in so far as it relates to the one associate company and two joint control entities, is based solely on the representation of the Management.

Our opinion on the consolidated financial statements and our report on other Legal & Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and financial statements certified by the Management.

**Report on Other Legal & Regulatory Requirements**

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its associates and jointly controlled entities incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the report of the other auditors in respect of entities audited by them and representation received from the management for the entities un-audited
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its associates and jointly controlled entities incorporated in India including relevant records relating to preparation of the consolidated financial statements as it appears from our examination of those books and records of the Holding Company

and the reports of the other auditors in respect of entities audited by them and representation received from the management for the entities un-audited

- (d) In our opinion, the aforesaid consolidated 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) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company, on the basis of the audit report of the other auditor in respect of one associates and representation received from the management in respect of one associates and two jointly controlled entities, all the entities incorporated in India, none of the directors of the Holding Company, its associates and jointly controlled entities is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial control over financial reporting of the Group, and the operating effectiveness of such controls, refer to our separate report in Annexure "A" and
- (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. The Holding Company, its associates and jointly controlled entities does not have any pending litigations which would impact its consolidated financial position; except for the cases which are disclosed under sub-note "Contingent Liabilities & Commitments" under Note No. 8.2 of the consolidated financial statements.
  - ii. The Holding Company, its associates and jointly controlled entities have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts as at March 31, 2016 as it appears from our examination of the books and records of the Holding Company and report of the other auditor in respect of entities audited by them and representation received from the management for entities un-audited.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company its associate and jointly controlled entities during the year ended March 31, 2016 as it appears from our examination of the books and records of the Holding Company and report of the other auditor in respect of entities audited by them and representation received from the management for entities un-audited.

**For S.R. Dinodia & Co. LLP**

Chartered Accountants,

Firm Registration Number 001478N/N500005

**(Pradeep Dinodia)**

Partner

Membership No. 080617

Place of Signature: New Delhi

Date: 27th May, 2016



## Annexure A to the Independent Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Sharda Motor Industries Limited** (hereinafter referred to as "the Holding Company"). The audit of internal financial control over financial reporting of one associate company, incorporated in India has been audited by other auditors. The internal financial controls over financial reporting of one associate company and two jointly controlled entities are based on the representation provided by the management, as these are un-audited.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its associates and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the reports of the other auditors in respect of entities audited by them and the representation received from the management for entities un-audited referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion, the Holding Company and its associates and jointly controlled entities, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India as it appears from our examination of the books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them and representation received from the management for entities that are un-audited.

**Other Matters**

Our aforesaid report Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to the one audited associate company is based on the corresponding reports of the other auditors and insofar as it relates to the one unaudited associate company and two jointly controlled companies is based on the representation received from the management. Our opinion is not qualified in respect of this matter.

**For S.R. Dinodia & Co. LLP**

Chartered Accountants,  
Firm Registration Number 001478N/N500005

**(Pradeep Dinodia)**

Partner  
Membership No. 080617

Place of Signature: New Delhi

Date : 27th May, 2016

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016**

(Currency : ₹ in Lacs except otherwise specified)

PARTICULARS	Note No.	AS AT MARCH 31, 2016
<b>I. EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>		
(a) Share Capital	3	594.63
(b) Reserves and Surplus	4	24,083.05
		<b>24,677.68</b>
<b>Non-Current Liabilities</b>		
(a) Long-Term Borrowings	5	1,906.55
(b) Deferred Tax Liabilities (Net)	6	1,585.18
(c) Other Long Term Liabilities	7	127.59
(d) Long-Term Provisions	8	487.37
		<b>4,106.69</b>
<b>Current Liabilities</b>		
(a) Short-Term Borrowings	9	8,634.72
(b) Trade Payables	10	-
Total outstanding dues of micro enterprises & small enterprises		-
Total outstanding dues of creditors other than micro enterprises & small enterprises		12,636.43
(c) Other Current Liabilities	11	3,957.65
(d) Short-Term Provisions	8	663.83
		<b>25,892.63</b>
<b>TOTAL</b>		<b>54,677.00</b>
<b>II. ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Fixed Assets		
(i) Tangible Assets	12	23,040.42
(ii) Intangible Assets		1,303.31
(iii) Capital Work-in-Progress	12	385.85
(b) Non-Current Investments	13.1	1,799.78
(c) Long-Term Loans and Advances	14	1,867.49
(d) Other Non-Current Assets	16.2	12.27
		<b>28,409.12</b>
<b>Current Assets</b>		
(a) Current investments	13.2	2,893.80
(b) Inventories	15	8,287.85
(c) Trade Receivables	16.1	10,203.31
(d) Cash and Other Bank Balances	17	3,720.35
(e) Short-Term Loans and Advances	14	836.80
(f) Other Current Assets	16.2	325.77
		<b>26,267.88</b>
		<b>54,677.00</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

**Pradeep Dinodia**  
Partner  
M.NO. 080617

**Kishan N Parikh**  
Chairman  
DIN 00453209

**Sharda Relan**  
Director  
DIN 00252181

Place : New Delhi  
Dated : 27th May, 2016

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

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

**Ajay Relan**  
Managing Director  
DIN 00257584

# **CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016**

(Currency : ₹ in Lacs except otherwise specified)

PARTICULARS	Note No.	AS AT MARCH 31, 2016
<b>I. Gross Income:</b>		
Gross Sale of Product & Services		110,436.80
Less : Excise Duty		17,704.39
Revenue from Operations	18	92,732.41
<b>II. Other Income</b>	<b>19</b>	<b>1,326.88</b>
<b>III. Total Revenue</b>		<b>94,059.29</b>
<b>IV. Expenses:</b>		
(a) Cost of Materials Consumed	20	59,464.93
(b) Purchase of Traded Goods	21	5,075.91
(c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	22	326.97
(d) Employee Benefits Expense	23	7,014.29
(e) Finance Costs	24	1,213.19
(f) Depreciation and Amortization Expense	12	4,432.43
(h) Other Expenses	25	11,208.82
<b>Total expenses</b>		<b>88,736.54</b>
<b>V Profit before exceptional items &amp; tax</b>		<b>5,322.75</b>
<b>VI Exceptional items</b>	<b>26</b>	<b>359.25</b>
<b>VII Profit before tax</b>		<b>4,963.50</b>
<b>VIII Tax expense:</b>		
Current Tax		1,732.55
Less: MAT credit entitlement		-
Net Current Tax expense		1,732.55
Deferred Tax		(38.02)
Tax Adjustment For Earlier Years		(69.98)
<b>IX Profit before Share in Profit/Loss of Associate</b>		<b>3,338.95</b>
Share in Net Profit / (Loss) of Associate		191.84
<b>X Profit after tax / Profit for the Year</b>		<b>3,530.79</b>
<b>XI Earnings Per Equity Share:</b>	<b>28</b>	
(1) Basic ( In Rupees )		59.38
(2) Diluted ( In Rupees )		59.38
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

**Pradeep Dinodia**  
Partner  
M.NO. 080617

**Kishan N Parikh**  
Chairman  
DIN 00453209

**Sharda Relan**  
Director  
DIN 00252181

Place : New Delhi  
Dated : 27th May, 2016

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

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

**Ajay Relan**  
Managing Director  
DIN 00257584

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH, 2016**

(Currency : ₹ in Lacs except otherwise specified)

PARTICULARS	Total For the Year Ended March 31, 2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit before taxation & Extraordinary items	4,963.50
Adjustment for:	
Depreciation written off	4,432.43
Interest Income	(304.64)
Finance Cost	1,213.19
Dividend Income	
(Profit) / Loss on Sale of Fixed Assets (Net)	(602.62)
Amount written off (net)	(32.40)
Unrealised Gain/ Loss on Reinstatement	(13.87)
<b>Operating profit before Working Capital changes</b>	<b>9,655.59</b>
Adjustment for:	
Decrease / (Increase) in Trade Receivables	(297.09)
Decrease / (Increase) in Increase in Inventories	381.79
Decrease / (Increase) in Other Receivables	(405.37)
Increase / (Decrease) in Trade Payable	613.95
Increase / (Decrease) in Other Payables	117.65
Amount written off (Net)	32.40
Unrealised Gain/ Loss on Reinstatement	13.87
Warranty Claims	87.14
<b>Cash Generated from operation</b>	<b>10,199.91</b>
Direct Taxes paid (Net of Income Tax Refund)	(1,073.68)
<b>Net Cash flow from Operating Activities (A)</b>	<b>9,126.23</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>	
Sale of Fixed Assets	2,952.94
Purchase of Fixed Assets/Technical know-how	(3,295.40)
Changes in Investment	(2,976.80)
Interest Received	304.64
Creditors for Capital Expenditure	181.90
<b>Net Cash used in Investing Activities (B)</b>	<b>(2,832.71)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>	
Issue Of Shares	75.00
Proceeds from Borrowings (Net)	(2,308.81)
Finance Cost	(1,213.19)
Dividend paid (including Corporate Dividend Tax)	(805.50)
<b>Net Cash used in Financing Activities (C)</b>	<b>(4,252.50)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>2,205.00</b>
<b>CASH &amp; CASH EQUIVALENTS-OPENING BALANCES</b>	<b>1,515.35</b>
<b>CASH &amp; CASH EQUIVALENTS-CLOSING BALANCES</b>	<b>3,720.35</b>
<b>Cash &amp; Cash Equivalents include :</b>	
Cash in hand	0.82
<b>Balances with Scheduled Banks</b>	
- In Current Account	118.53
- In Deposit Account	3,601.00
	<b>3,720.35</b>

**Notes :**

- 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.

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

**Pradeep Dinodia**  
Partner  
M.NO. 080617

**Kishan N Parikh**  
Chairman  
DIN 00453209

**Sharda Relan**  
Director  
DIN 00252181

Place : New Delhi  
Dated : 27th May, 2016

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

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

**Ajay Relan**  
Managing Director  
DIN 00257584

## Notes to financial statement for the year ended MARCH 31, 2016

### 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 except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### NOTE 2.1: SIGNIFICANT ACCOUNTING POLICIES

#### (a) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### (b) Basis of Consolidation

- i) The financial statements of the company and its share in the Jointly controlled entities have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with AS-27: Financial Reporting of interests in Joint Ventures
- ii) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's individual financial statements. Inconsistency, if any, between the accounting policies of the Jointly Controlled Entities have been disclosed in the notes to accounts.
- iii) The difference of the cost to the company of its investment in jointly controlled entities over its share in the equity of the investee company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.
- iv) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the parent company for its individual financial statements.
- v) The Investments in associates have been revalued using the equity method of accounting in accordance with AS-23, Accounting for Investments in Associates in Consolidated Financial Statements whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.

#### (c) 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:

- a. it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. 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

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

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;

- c. it is due to be settled within 12 months after the reporting date; or
- d. 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.

## (d) Fixed Assets

### I) Tangible Assets

Fixed assets are stated at cost of acquisition inclusive of freight, duties & taxes and incidental expenses related to acquisition up to the date of installation. Cost of Fixed assets are further adjusted by the amount of Modvat/Cenvat credit availed and VAT credit wherever applicable. Interest and finance charges incurred are allocated to the respective fixed assets on installation. Fixed assets under construction, and cost of assets not put to use before year end are shown as capital work in progress while advance paid towards acquisition of fixed assets are shown as capital advance under the head Loans & Advances. Leasehold Improvements are amortized over the period of lease.

Gain or loss arising on account of sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of assets and 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 recognized initially at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

## (e) (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. The Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined seperately. The identification of significant components is matter of technical judgement and is decided on case to case basis; wherever applicable. Further as per Note No.7 of Part "C" of the said Schedule the carrying amount of the assets has been depreciated as follow:

- a) Carrying value of asset has been depreciated over the remaining useful life of assets and recognised in the Statement of Profit & Loss.
- b) 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:-

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

- c) Assets costing up to ₹ 5,000 are fully depreciated in the period of acquisition.

### 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.

## (f) 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.



Stock in Transit is valued at lower of cost and net realizable value. Scrap is valued at estimated net realizable value.

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

**(g) Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

- 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.
- Revenue relating to interest income is recognised on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists. Dividend income is recognized when the right to receive the dividend is established.

**(h) 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.

**(i) Foreign Exchange Transactions & Derivatives**

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 except hedge transactions. The result exchange difference are recognised in Statement of Profit and Loss. Non-Monetary assets are recorded at the rates prevailing on the date of transaction.

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 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.

Wherever the variable interest in respect of External Commercial Borrowing is swapped for fixed interest rate, the fixed interest expenses is recognised in the Statement of Profit and Loss.

**(j) Borrowing Costs**

The borrowing costs which are directly attributable to the acquisition or construction of qualifying fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized as part of cost of the assets. All other borrowing costs are immediately recognised as an expense in the Statement of Profit and Loss.

**(k) Investments**

- Investments, which are readily realizable and not intended to be held for more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Non-Current Investments. Current Investments are carried in the financial statements at lower of cost and fair value.
- Non-Current Investments are carried at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Investments."

**(l) 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.



## (m) Employee Benefit

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 – Employees Benefits (Revised 2005) issued by the Company (Accounting Standard) Rules, 2006.

- 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.

## (n) Taxes on Income

### (i) Current Tax

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. The provisions of current tax is made after considering impact if any, of provisions contained in Income Computation Disclosure Standards (ICDS) issued by CBDT vide Notification S.O. 892(E) dated March 31, 2015.

### (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. Such assets are reviewed as at each balance sheet date to re-assess realization.

### (iii) Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognise MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

## (o) Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.
- b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- c) Contingent Assets are neither recognized nor disclosed in the financial statements.

## (p) Leases

The Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as Finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. The Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as Operating leases. Lease rentals in case of Operating leases are charged to the Statement of Profit & Loss on accrual basis on straight line basis.

**(q) Earnings Per Share**

- a) In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary items.
- b) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- c) For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

**(r) Cash Flow**

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Accounting Standard -3 (AS-3) "Cash Flow Statement".

**(s) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(t) 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.

**(u) Impairment of Assets**

The Company assesses at each reporting date whether there is an indication that an asset or Cash Generating Unit (CGU) may be impaired. If any indication exists, the recoverable amount of the same is determined. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is reversed in Statement of Profit & Loss only if there has been a change in the assumptions used to determine the assets's recoverable amount since the last impairment loss was recognised.

**v) Segment Reporting**

Primary Segment: The Company is engaged in the manufacturing and assembly of Auto Components and White Goods Components. Hence the reporting has been made for these two segments. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard-17 on Segment Reporting issued by Company (Accounts) Rules, 2014.

Geographical Segment: The Company sells its products mostly within India with insignificant export income and does not have any operations in economic environments with different risks and returns, hence, its considered operating in single geographical segment.

(Currency : ₹ in Lacs except otherwise specified)

## NOTE 3 : SHARE CAPITAL

### Authorised Shares

50,000,000 (March 31, 2015 : 50,000,000) Equity Shares of ₹ 10/- each

**As At  
March 31, 2016**

5,000.00

**5,000.00**

### Issued, Subscribed & Paid-up Shares

#### Equity Share Capital

5,946,326 (March 31, 2015: 5,946,326) Equity Shares of ₹ 10/- each fully paid up

594.63

**594.63**

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

#### Equity Shares

	March 31, 2016	
	No of shares.	Amount
At the beginning of the year	5,946,326	594.63
Add:- Issued during the year	-	-
Less:- Buy back during the year	-	-
<b>Outstanding at the end of the year</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 ₹ 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, 2016, the amount of per share dividend recognized as distributions to Equity Shareholders was ₹12.50 /- (March 31, 2015: ₹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, 2016	
	No of shares.	% of holding
Mr.N.D Relan	450,960	7.58
Mrs.Sharda Relan	697,520	11.73
Mr.Ajay Relan	785,378	13.21
Mr.Rohit Relan	428,818	7.21
Mrs.Ritu Relan	742,520	12.49
Mrs.Mala Relan	496,260	8.35
Mr. Aashim Relan	300,900	5.06

(Currency : ₹ in Lacs except otherwise specified)

## NOTE 4 : RESERVES AND SURPLUS

### Capital Reserve

Balance as per last financial statements

0.20

Addition during the year

-

Closing balance

**0.20**

**General Reserve**

Balance as per last financial statements	18,425.68
Addition during the year	2,600.00
Closing balance	<b>21,025.68</b>

**Surplus / (Loss) as per Statement of Profit & Loss**

Balances as per last financial statements	3,067.30
<b>Add:-</b> Profit for the year	3,530.79
<b>Add: Share of Post Acquisition Profit/(Loss) of Jointly controlled entity</b>	
Toyo Sharda India Pvt Ltd	-
Toyota Boshoku Relan India Pvt Ltd	(46.30)
	<b>6,551.79</b>

**Less:- Appropriations:**

- Interim Dividend (Dividend amount per share ₹ 6.25 (March 31, 2015: ₹ 5)	371.64
- Proposed Dividend on Equity Shares (Dividend amount per share ₹ 6.25 (March 31, 2015: ₹ 5)	371.64
- Dividend Distribution Tax on Interim Dividend	75.67
- Dividend Distribution Tax on Proposed Dividend	75.67
- Transfer to General Reserves	2,600.00
Total Appropriation	<b>3,494.62</b>

**Net Surplus in the Statement of Profit & Loss**
**3,057.17**
**Total Reserves & Surplus**
**24,083.05**
**NOTE 5 : LONG TERM BORROWINGS**

(Currency : ₹ in Lacs except otherwise specified)

**Secured Borrowings**
**Term loans**
**From Banks**

	Non Current portion As At March 31, 2016	Current Maturities As At March 31, 2016
External commercial borrowing	1,906.55	1,572.11
	1,906.55	1,572.11
Amount disclosed under 'Other Current Liabilities' (Note no. 11)	-	1,572.11
<b>Long Term Borrowings</b>	<b>1,906.55</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 installments 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 installments. 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.

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 6 : DEFERRED TAX LIABILITIES (NET)**
**As At March 31, 2016**
**Deferred Tax Liabilities**

Fixed Assets: Impact of difference between Tax Depreciation and depreciation/ amortization charged for the financial reporting

1,879.70

**Total (A)**
**1,879.70**
**Deferred Tax Assets**

Expense allowed on payment basis:

Impact of expenditure charged to the Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis

294.31

Provision for Lease Equalization

0.21

**Total (B)**
**294.52**
**Net Deferred Tax Liability (A-B)**
**1,585.18**
**NOTE 7 : OTHER LONG TERM LIABILITIES**

(Currency : ₹ in Lacs except otherwise specified)

	Long Term	Current Portion
	As At March 31, 2016	As At March 31, 2016
Gratuity	85.86	13.16
Advances from Customers	-	575.07
Others	41.73	-
	<b>127.59</b>	<b>588.23</b>
Amount disclosed under Other Current Liabilities (Current portion of long term liabilities)	-	588.23
	-	<b>588.23</b>

**NOTE 8 : PROVISIONS**

(Currency : ₹ in Lacs except otherwise specified)

	Long Term	Short Term
	As At March 31, 2016	As At March 31, 2016
<b>Provision for Employee Benefits (Refer Note no. 22.1)</b>		
Leave Encashment	148.42	82.68
<b>Others Provisions</b>		
Provision for warranty claim (Refer Note no. 8.1)	338.34	132.61
Provision for Lease Equalization	0.61	-
Gratuity (Unfunded) of TSIPL	-	1.22
Proposed dividend	-	371.65
Tax on proposed dividend	-	75.67
	<b>487.37</b>	<b>663.83</b>

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 8.1 : DISCLOSURE REQUIRED BY AS-29 (PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES)**

**As At March 31, 2016**

Opening balance (as on 1st April )	383.82
Provision made during the year	265.22
Amount used/reversed/paid during the year	178.09
Closing balance (as on 31st March)	<b>470.95</b>

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 8.2 CONTINGENT LIABILITIES**

**As At  
March 31, 2016**

**Contingent liabilities**
**(a) Claims against the company not acknowledged as debts**

i) Disputed State Tax Matters	0.90
ii) Disputed Excise Matters	5.44
iii) Disputed Service Tax Matters	11.07
iv) Disputed Central Sales Tax Matters	-
v) Disputed Income Tax Matters	102.33
vi) Disputed Central Excise Matters	440.00
vii) Dispute with vendor	4.80

**(b) Other money for which the company is contingently liable\*** 1,272.09

**Total** **1,836.63**

- i) Entry Tax of ₹ 0.90 Lacs (March 31, 2015: ₹ 0.90 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 ₹ 5.44 Lacs (March 31, 2015: 2.24 Lacs) ₹ 2.24 Lacs and ₹ 3.20 Lacs under Cenvat Credit Rules is pending before the Appellate Authority of LTU Delhi.
- iii) Service Tax of ₹ 11.07 Lacs (March 31, 2015: ₹ 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 ₹ Nil (March 31, 2015: 10.74 Lacs) for Financial Year 2008-09 which is pending before U.P. Sales Tax.
- v) Income Tax of ₹ 24.04, Rs. 39.26 & ₹ 39.03 Lacs (March 31, 2015: ₹ 24.04, ₹ 39.26 & ₹ 39.03 Lacs) for Assessment Year 2004-05, 2009-10 & 2011-12 respectively against which appeal has been filed before ITAT, New Delhi.
- vi) Excise Duty of ₹ 440 Lacs (March 31, 2015: ₹ 440 Lacs) under Cenvat Credit Rules is pending before the Hon'ble Supreme Court of India.
- vii) Claim of ₹ 4.80 lacs (March 31, 2015: ₹ 4.42 lacs) for Financial Year 2015-16 which is pending before District Court, Saket.

\*Foreign Letters of Credit of ₹ 1272.09 Lacs (March 31, 2015: ₹ 1,351.33 Lacs)

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 9 : SHORT TERM BORROWINGS**

**As At March 31, 2016**

**Secured Borrowing**
**From Banks-Secured**

Cash credit	3,935.21
Others	115.00
Bills Discounted	186.97

**Unsecured Borrowing**

From Related Parties	4,397.54
	<b>8,634.72</b>

**a) Cash 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 : 10% - 11%

**b) Others**

Secured against FDR's

**c) 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.

**d) Loans From Related Parties**

Loans from Related Parties are payable on demand. The loan is taken on an interest rate of 10% - 11%.

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 10 : TRADE PAYABLE**
**As At March 31, 2016**
**Trade Payables (Refer note below for details of dues to micro and small enterprises)**

Amount due to Micro Small and Medium Enterprises

Principal Amount	-
Interest Payable on Outstanding Amount	-

Amount Due to Others	12,636.43
	<b>12,636.43</b>

- a) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2016 to micro, small & medium enterprises as defined in Industries (Development and Regulation) Act, 1951 is as given below:

**Particulars**
**As At March 31, 2016**

i) The Principal amount & interest due thereon remaining unpaid to any supplier as at end of the year	
-Principal Amount	-
-Interest	-
ii) The Amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-
iii) The Amount of interest accrued and remaining unpaid for the year	-

- b) This information has been compiled on the basis of information available with the management as at March 31, 2016.

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 11 : OTHER CURRENT LIABILITIES**
**As At March 31, 2016**
**Other Liabilities:**

Current maturities of long-term debt (Note No. 5)	1,572.11
Interest Accrued but not due on borrowings	49.22
Interest Accrued and due on borrowings	52.02
Unclaimed dividend	45.91
Statutory dues	1,156.97
Current portion of Long Term Liabilities (Note no. 7)	588.23
Expenses Payable	1.19
Creditors for Capital Expenditure	492.00
	<b>3,957.65</b>

Note: The above does not includes any amount due to be transferred to investor education & protection fund.

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 11.1: PRE OPERATIVE EXPENDITURE AND CAPITAL WORK IN PROGRESS**
**As At March 31, 2016**

(a) Pre Operative Expenditure	-	
Less : Provision for pre-operative expenditure	-	-
(b) Capital Work in Progress		385.85
<b>Total</b>		<b>385.85</b>

**NOTE 11.2: LEASES**

- i) The Company has taken Factory Plot on non cancellable lease from M/s Om Exports Pvt Ltd. Lease Agreement was renewed on 20.01.2016 and is valid till 19.01.2021. Lease Rental ( including transfer to lease equalisation reserve) amounting to ₹ 39.38 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

Particulars	As At March 31, 2016
Not Later Than 1 year	44.29
Later than 1 year but not later than 5 years	168.34
<b>Total</b>	<b>212.63</b>

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Plot at Gurgaon	19.01.2021	Yes	Yes	No

- ii) The Company has taken Factory Plot on non cancellable lease from M/s Sharda Enterprises. Lease Agreement was renewed on 01.07.2015 and is valid till 30.06.2020. Lease Rental amounting to ₹ 48.08 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

Particulars	As At March 31, 2016
Not Later Than 1 year	48.00
Later than 1 year but not later than 5 years	192.00
<b>Total</b>	<b>240.00</b>

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Plot at Gurgaon	30.06.2020	No	Yes	No

- iii) The Company has taken a Guest House on non cancellable lease from Smt. Sharda Relan. Lease Agreement is valid till 30.11.2017. Lease Rental amounting to ₹ 60.10 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

Particulars	As At March 31, 2016
Not Later Than 1 year	60.00
Later than 1 year but not later than 5 years	40.00
<b>Total</b>	<b>100.00</b>

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Guest House at Delhi	30.11.2017	No	Yes	No



- iv) The Company has taken a Factory Premises on non cancellable lease from M/s Sharda Enterprises. Lease Agreement is valid till 17.10.2017. Lease Rental amounting to ₹ 84.14 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

Particulars	As At March 31, 2016
Not Later Than 1 year	45.50
Later than 1 year but not later than 5 years	-
Total	45.50

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Premises at Binola	17.10.2017	No	Yes	No

- v) The Company has taken a Factory Premises on non cancellable lease from M/s Mahindra Vehicle Manufacturers Ltd. Lease Agreement is valid till . Lease Rental amounting to ₹ 37.68 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

Particulars	As At March 31, 2016
Not Later Than 1 year	37.68
Later than 1 year but not later than 5 years	150.72
Total	188.40

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Premises at Chakan	22.02.2031	No	Yes	No

- vi) The Company has taken a Factory Premises on non cancellable lease from M/s Sharda Auto Solutions Pvt Ltd . Lease Agreement is valid till 31.05.2016. Lease Rental amounting to ₹ 43.74 Lacs has been debited to Statement of Profit and Loss. Future minimum lease rentals as on 31.03.2016 are as under:

(Currency : ₹ in Lacs except otherwise specified)

Particulars	As At March 31, 2016
Not Later Than 1 year	7.20
Later than 1 year but not later than 5 years	-
Total	7.20

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Premises at Chennai	31.05.2016	No	Yes	No

**NOTE 12: FIXED ASSETS**

(Currency : ₹ in Lacs except otherwise specified)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK	
	AS AT 01.04.15	ADDITION	SALE / ADJUSTMENT	AS AT 31.03.16	ADDITION	SALE / ADJUSTMENT	AS AT 31.03.16	AS AT 31.03.15
<b>A - TANGIBLE ASSETS</b>								
<b>LAND</b>								
- Lease Hold	837.46	1.08	-	838.54	8.88	-	84.45	754.09
- Free Hold	1,410.09	-	-	1,410.09	-	-	6.78	1,403.31
Building	9,519.61	314.70	-	9,834.31	567.77	-	4,281.77	5,805.61
Plant & Machinery	30,304.83	3,331.73	2,792.98	30,843.58	2,780.61	446.96	17,286.24	5,352.24
Office Equipment	711.80	34.31	0.09	746.02	87.63	0.09	550.38	195.64
Computer	501.43	38.30	1.71	538.02	29.62	1.63	476.82	61.20
Furniture & Fixture	299.53	39.29	-	338.82	15.68	-	264.54	74.28
Electric Fitting	2,922.13	78.46	6.33	2,994.26	262.68	5.80	1,802.85	1,376.16
Vehicle	1,275.38	27.71	17.68	1,285.41	100.59	13.99	1,034.81	250.60
<b>Total</b>	<b>47,782.26</b>	<b>3,865.58</b>	<b>2,818.79</b>	<b>48,829.05</b>	<b>3,853.46</b>	<b>468.47</b>	<b>25,788.63</b>	<b>5,378.62</b>
<b>B - INTANGIBLE ASSETS</b>								
Software Development	450.38	35.75	-	486.13	28.78	-	446.55	32.61
Design & Development Cost	-	71.62	-	71.62	9.72	-	9.72	-
Technical Knowhow & Guidance	5,611.93	-	-	5,611.93	540.47	-	4,410.10	1,742.30
<b>Total</b>	<b>6,062.31</b>	<b>107.37</b>	<b>-</b>	<b>6,169.68</b>	<b>578.97</b>	<b>-</b>	<b>4,866.37</b>	<b>1,774.91</b>
<b>Total (A+B)</b>	<b>53,844.57</b>	<b>3,972.95</b>	<b>2,818.79</b>	<b>54,998.73</b>	<b>4,432.43</b>	<b>468.47</b>	<b>30,655.00</b>	<b>7,153.53</b>
<b>C - Capital Work In Progress</b>								
CWIP	754.79	44.39	413.33	385.85	-	-	-	754.79
<b>Grand Total (A+B+C)</b>	<b>54,599.36</b>	<b>4,017.34</b>	<b>3,232.12</b>	<b>55,384.58</b>	<b>4,432.43</b>	<b>468.47</b>	<b>30,655.00</b>	<b>7,908.32</b>

**Note:**

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

(Currency : ₹ in Lacs except otherwise specified)

## NOTE 13 : INVESTMENTS

**As At March 31, 2016**

### NOTE 13.1: NON CURRENT INVESTMENTS

Trade Investments (Valued at cost unless otherwise stated)

Quoted Equity Instruments

Investment in Associates

9,000,000 Equity shares (March 31, 2015: 9,000,000), including Bonus Shares of 4,500,000 of up ₹.2/- each, fully paid up of Bharat Seats Ltd\*

90.00

Add: Share in Reserves Considered till the last Balance Sheet Date

1,394.22

Add: Share in Profits for Current Year

183.13

Less: Dividend Received

81.00

1,586.35

\* Including Goodwill of Rs 33.63 Lacs arising on acquisition of associate.

### Total Trade Investments (A)

**1,586.35**

Non Trade Investments (Valued at cost unless otherwise stated)

Unquoted Equity Instruments

Investment in Associates

"490,000 Equity shares (March 31, 2015: 490,000) of ₹ 10 each, fully paid up of Relan Industrial Finance Ltd."

49.00

Add: Share in Reserves Considered till the last Balance Sheet Date

154.71

Add: Share in Profits for Current Year

8.71

Less: Dividend Received

212.42

\* Including Capital Reserve of ₹ 6.57 Lacs arising on acquisition of associate.

Other

Investment in Trust

1.01

### Total Non Trade Investments (B)

**213.43**

### Total Non current Investment (A+B)

**1,799.78**

Aggregate Book Value of Quoted Investments

90.00

Aggregate Market Value of Quoted Investments

2,641.50

Aggregate value of Unquoted Investments

50.01

### NOTE 13.2: CURRENT INVESTMENTS

Non-Trade Investments (Valued at cost unless otherwise stated)

Investment in Mutual Fund

4042.97 ( March 31,2015: Nil ) units of UTI -Liquid Cash Plan - Institutional Growth

100.02

21726.73 (March 31,2015: Nil) units of Reliance Liquid Fund - Treasury Plan -Growth Option

800.00

49971.94 (March 31,2015: Nil) units of Reliance Liquid Fund - Cash Plan - Growth Option

1,193.78

33713.33 (March 31,2015: Nil) units of SBI Premier Liquid Fund - Regular Plan - Growth

800.00

### Total current Investment

**2,893.80**

Aggregate Book Value of Mutual Fund

2,893.80

Aggregate Market Value of Mutual Fund

2,897.36

(Currency : ₹ in Lacs except otherwise specified)

## NOTE 14 : LOANS AND ADVANCES

(Unsecured considered good unless otherwise stated)

	Non Current	Current
	As At March 31, 2016	As At March 31, 2016
Capital Advances	726.04	-
(Unsecured, considered good)		
Security Deposits	197.58	-
(Unsecured, considered good)		
Advances Recoverable in cash or in kind	-	323.13
(Unsecured, considered good)		
Other Loans & Advances (Unsecured, considered good)		
MAT Credit Entitlement	542.37	-
Advance tax (Net of Provision : ₹ 2886.05 Lacs)	379.62	-
Prepaid Expenses	21.88	196.99
Balance with Revenue Authorities	-	184.76
Advances to Vendors	-	131.92
	<b>1,867.49</b>	<b>836.80</b>

### 2) Capital Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the Accounts, net of Advance	481.55
	<b>481.55</b>

(Currency : ₹ in Lacs except otherwise specified)

## NOTE 15 : INVENTORIES (As Certified by the Management)

	As At March 31, 2016
Raw materials	6,101.23
Consumable stores	308.51
Consumable Tools	1.79
Goods in Transit-Raw Material	125.89
Work In Progress	1,743.87
Finished Goods	6.56
	<b>8,287.85</b>

## NOTE 16 : TRADE RECEIVABLES AND OTHER ASSETS

(Currency : ₹ in Lacs except otherwise specified)

	Non Current	Current
	As At March 31, 2016	As At March 31, 2016
<b>Note 16.1: Trade Receivables</b>		
Outstanding for a period exceeding 6 months from the date they are due for payment		
(Unsecured considered good unless otherwise stated)	-	31.04
Other Receivables		
Unsecured, Considered good	-	10,172.27
	-	<b>10,203.31</b>

**Note 16.2: Other assets (Unsecured, considered good unless stated otherwise)**

Preliminary Expenses	7.27	-
Other Receivables	-	216.82
Interest Accrued but not due on FDR	-	108.95
Non Current Bank Balances (Note no. 17)	5.00	-
	12.27	325.77
	<b>12.27</b>	<b>10,529.08</b>

**NOTE 17 : CASH AND BANK BALANCES**

(Currency : ₹ in Lacs except otherwise specified)

	<b>Non Current</b>	<b>Current</b>
	<b>As At March 31, 2016</b>	<b>As At March 31, 2016</b>
Cash & cash Equivalent		
Balances with Banks:-		
On Current Account	-	72.62
On EEFC Account	-	-
Unpaid Dividend Account	-	45.91
Deposit with original maturity for less than 3 months	-	200.00
Cash on hand	-	0.82
	-	<b>319.35</b>
<b>Other Bank Balances</b>		
Margin Money Deposit with original maturity of more than 12 Months	5.00	-
Fixed Deposit with original maturity of more than 3 months but less than 12 months	-	3,401.00
	5.00	3,401.00
Amount disclosed under Non Current Assets (Note no.16.2)	5.00	-
	-	3,720.35

**Note: Margin Money Deposit is Pledged with Canara Bank amounting to ₹ 5.00 Lacs (March 31, 2015: ₹ 5.00 Lacs)**

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 18 : REVENUE FROM OPERATIONS**

	<b>For the Year ended March 31, 2016</b>
(a) Revenue from - Sale of Product	
- Finished goods	123,820.28
- Traded goods	5,941.98
	129,762.26
Less: Inter Unit Transfer	20,170.76
Net Revenue from sale of Product	109,591.50
(b) Revenue from -Sale of Services	0.83
(c) Other Operating Revenues	844.47
(d) Less: Excise duty	17,704.39
Total	<b>92,732.41</b>

**Details of product sold**
**a) Finished goods sold (Net of Inter Unit Transfer)**

- Metal Parts	83,367.48
- Fabric	18,051.77
- White Goods	2,160.89
- Car Seats	195.54
	<b>103,775.68</b>

**b) Traded goods sold**

- Auto components	5,941.98
	<b>5,941.98</b>

Net Revenue from sale of product

**109,717.66**
**Details of Sale of Services**

a) Job Work	0.83
	<b>0.83</b>

**Details of Other Operating Revenues**

a) Sale of Scrap	639.86
b) Design & Development Income	204.61
	<b>844.47</b>

**NOTE 19 : OTHER INCOME**

(Currency : ₹ in Lacs except otherwise specified)

	<b>For the Year ended March 31, 2016</b>
Interest Income from	
FDR's	288.91
Others	15.73
Income on redemption of mutual fund (current investment)	14.69
Profit from Sale of Tools & Assets	602.62
Other Income	404.93
	<b>1,326.88</b>

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 20 : COST OF MATERIAL CONSUMED**
**For the Year ended  
March 31, 2016**
**1. Raw Material**

(a) Balances of Raw Material at the beginning of the year	6,449.26
(b) Add:- Purchases during the year	59,425.41
(c) Less:- Balances of Raw Material at the end of the year	6,409.74
(d) Cost of Raw Material Consumed	<b>59,464.93</b>

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 21 : PURCHASES OF STOCK - IN - TRADE**
**For the Year ended  
March 31, 2016**

Auto components	5,075.91
	<b>5,075.91</b>

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK IN TRADE**

**For the Year ended  
March 31, 2016**

**Inventories at the beginning of the year**

Finished goods	16.09
Traded goods	21.31
Work- in- progress	2,040.00
	<b>2,077.40</b>

**Inventories at the end of the year**

Finished goods	6.56
Traded goods	-
Work- in- progress	1,743.87
	<b>1,750.43</b>

**(Increase)/Decrease in inventory**

**326.97**

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 23 : EMPLOYEE BENEFITS EXPENSE**

**For the Year ended  
March 31, 2016**

Wages & Other Benefits	1,731.00
Salaries & Other Benefits	3,640.20
Director's Remuneration	608.87
Contribution to Provident and other funds	366.36
Gratuity	101.03
Staff Welfare Expenses	566.84
	<b>7014.29</b>

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 24 : FINANCE COST**

**For the Year ended  
March 31, 2016**

Interest Expense	1,179.86
Other Borrowing Costs	33.33
	<b>1,213.19</b>

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 25 : OTHER EXPENSES**

**For the Year ended  
March 31, 2016**

Consumable Tools	219.50
Power & Fuel	1,294.79
Hire Labour Charges	4,514.07
Manufacturing expenses	178.43
Rent, Rates & Taxes	348.69
Incremental effect of Excise Duty on Finished Goods	(1.50)
Repair & maintenance	-
-Repair to Building	24.32
-Repair to Plant & Equipments*	429.83
-Repair Others	255.66
Exchange Fluctuation	82.60
Royalty	40.77
Research & Development expenses	847.78

**NOTE 25 : OTHER EXPENSES**

	<b>For the Year ended March 31, 2016</b>
Travelling & conveyance	752.24
Insurance	61.12
Communication cost	71.85
Director's sitting fee & commission	16.03
Legal & Professional expenses	223.13
CSR Expenses	10.00
Prior Period Items((Refer Details below)	2.20
Selling Expenses	140.39
Packing Material	137.57
Freight Outward	493.17
Auditor's Remuneration (Refer Details below)	19.09
Miscellaneous expenses	1,047.09
	<b>11,208.82</b>

**a) Payment to Auditor**

As Auditor	
Audit fee	12.44
Tax Audit fee	3.50
Conveyance	0.02

**In other capacity**

Certification & Consultation Fees	2.60
Reimbursement of expenses	0.53

**19.09**
**Prior Period Expense**

Freight Outward ( Truck Expenses )	1.42
Repair & Maintenance ( Machinery )	0.79

**2.20**
**NOTE 26: Exceptional items**

(Currency : ₹ in Lacs except otherwise specified)

	<b>For the Year ended March 31, 2016</b>
Pre-Operative Expenses Written Off	359.25
	-
	<b>359.25</b>

(Currency : ₹ in Lacs except otherwise specified)

**NOTE 27: FINANCIAL AND DERIVATIVE INSTRUMENTS**

	<b>For the Year ended March 31, 2016</b>
	<b>No of Contracts</b>
Foreign currency exposure hedged by derivative instruments	2
Foreign currency exposure that are not hedged by derivative instruments	3,478.66
	2,026.06
	<b>5,504.72</b>



## i. Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :

- Trade Payables	1,316.52
- Trade Receivables	594.13
- Advance to Vendors	115.41
	<b>2,026.06</b>

## ii. Particulars of hedged Foreign Currency Exposure as at Balance Sheet date :

a) Foreign Currency ECB	
- CTBC Loan US\$ 6 ML	2,988.00
- CITI Bank US\$ 2.0 ML	490.66
	<b>3,478.66</b>

For the Year ended  
March 31, 2016

**NOTE 28 : EARNINGS PER SHARE**

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

Particulars	2015-16
Profit/(Loss) attributable to Equity Shareholders (₹)- (A)	3,530.79
Basic/Weighted average number of Equity shares outstanding during the year - (B)	59.46
Nominal Value of Equity Shares (₹)	10
Basic/Diluted earnings per share (₹) - (A/B)	59.38

**NOTE 29: 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

(Currency : ₹ in Lacs except otherwise specified)

Particulars	For the Year Ended 31st March, 2016		
	Automotive Components & Accessories	White Goods	Total
External Sales (Gross)	107,442.90	2,149.49	109,592.39
Less: Excise duty	17,461.75	242.64	17,704.39
Other Income	1,788.38	0.02	1,788.40
<b>Segment Revenue</b>	<b>91,769.53</b>	<b>1,906.87</b>	<b>93,676.40</b>
Un-allocated Income	-	-	382.90
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>94,059.30</b>
Segment Results	8,704.86	(52.45)	8,652.41
Un-allocated Expenses	-	-	2,116.47
<b>Operating Profit</b>	<b>-</b>	<b>-</b>	<b>6,535.94</b>
<b>Less: Exceptional Items</b>	<b>-</b>	<b>-</b>	<b>359.25</b>
Interest Expenses (Net)	-	-	1,213.19
Current Income Tax	-	-	1,732.55
Deferred Tax	-	-	(38.02)

Particulars	For the Year Ended 31st March, 2016		
	Automotive Components & Accessories	White Goods	Total
Tax adjustment for earlier year (Net)	-	-	(69.98)
Add: Share of Associate			191.84
<b>Profit after tax</b>	-	-	3,530.79
<b>Segment Assets</b>	<b>24,089.89</b>	<b>1,007.02</b>	<b>25,096.91</b>
Un-allocated Assets	-	-	29,580.07
<b>Total</b>	<b>-</b>	<b>-</b>	<b>54,676.98</b>
<b>Segment Liabilities</b>	<b>14,928.63</b>	<b>377.18</b>	<b>15,305.81</b>
Un-allocated Liabilities	-	-	14,693.50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>29,999.31</b>
<b>Capital Expenditure</b>	<b>3,963.98</b>	<b>8.97</b>	<b>3,972.95</b>
<b>Depreciation/Amortisation</b>	<b>4,345.778</b>	<b>86.65</b>	<b>4,432.43</b>

## NOTE 30 : RELATED PARTY DISCLOSURES (AS18)

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) Mr.N.D Relan (Co-Chairman) b) Mr.Ajay Relan (Managing Director) c) Mr. B Mitra (Executive Director) d) Mr. Udyan Benerjee (Executive Director)* e) Mr. Pradeep Rastogi (President - Legal & CFO) f) Mr. Nitin Vishnoi (Company Secretary)	Key Managerial Personnel
a) Mr.Rohit Relan 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	Relatives of Key Managerial Personnel
a) Sharda Enterprises b) N.D.Relan (HUF) 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.	Enterprises over which Key Managerial Personnel are able to Exercise significant influence

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

S.No	Nature of Transactions	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
i)	Loans taken during the year			
	- N.D. Relan	-	82.37	-
	- Ajay Relan	-	146.04	-
	- Rohit Relan	-	-	151.83
	- Sharda Relan	-	-	85.21
ii)	Loan repaid during the Year			
	- N.D. Relan	-	1450.71	-
	- Ajay Relan	-	513.87	-
	- Rohit Relan	-	-	466.32
	- Sharda Relan	-	-	1502.94
iii)	Interest paid on loans during the Year			
	- N.D. Relan	-	155.07	-
	- Ajay Relan	-	258.31	-
	- Rohit Relan	-	-	270.25
	- Sharda Relan	-	-	129.63
iv)	Rent paid during the Year			
	Sharda Auto Solutions Pvt. Ltd.	46.47	-	-
	-Sharda Relan	-	-	68.34
	-Sharda Enterprises	150.34	-	-
v)	Remuneration paid			
	- N.D. Relan	-	305.72*	-
	- Ajay Relan	-	281.39*	-
	-B. Mitra	-	21.76	-
vi)	Salary Paid			
	-Pradeep Rastogi	-	21.58	-
	-Nitin Vishnoi	-	13.91	-
	-Mala Relan	-	-	14.61
	-Aashim Relan	-	-	24.86
vii)	Commission Paid			
	-Rohit Relan	-	-	-
	-Sharda Relan	-	-	-
viii)	Dividend Paid			
	- N.D. Relan	-	50.73	-
	- Ajay Relan	-	88.36	-
	- Nitin Vishnoi	-	0.11	-
	-Sharda Relan	-	-	78.47
	-Rohit Relan	-	-	48.24
	-Aashim Relan	-	-	33.37
	-Ayush Relan	-	-	11.70
	-Pranav Relan	-	-	14.37
	-Rishabh Relan	-	-	17.35
	-Mala Relan	-	-	55.83
	-Ritu Relan	-	-	83.53
	-Aashita Relan	-	-	0.48
	-Ajay Relan(HUF)	2.16	-	-
	-ND Relan (HUF)	3.38	-	-
	-Rohit Relan (HUF)	5.00	-	-
ix)	Sitting Fee Paid			
	-Sharda Relan	-	-	3.60
	-Rohit Relan	-	-	1.60

x)	Expenses paid - A.N.I Hospitality LLP	1.41	-	-
xi)	Purchase of Fixed Assets -Progressive Engineering & Automation Pvt. Ltd.	-	-	-
xii)	Net Outstanding Balance payable / (Receivable) as on 31.03.2016 -Progressive Engineering & Automation Pvt. Ltd. - N.D. Relan - Ajay Relan -B. Mitra -Pradeep Rastogi -Nitin Vishnoi -Rohit Relan -Sharda Relan -Mala Relan -Aashim Relan	- - - - - - - - - - -	- 93.51 2153.17 1.11 1.58 0.96 - - - - -	- - - - - - 2272.87 29.56 0.61 1.08

**Notes**

- 1) Remuneration paid to Shri N.D. Relan and Shri Ajay Relan includes the arrear of ₹ 58.92 Lacs and ₹ 47.49 Lacs of FY 2014-15 respectively post Central Government approval for the FY 2014-15.
- 2) During the year, the company has purchased/sold certain investments aggregating to ₹ 96,948.53 Lacs through associate company Relan Industrial Finance Ltd by using it's net banking facility at BSE portal. At the year end, there was no transaction outstanding with the said associate company and it does not have any financial impact on financial statements of the company.

**NOTE 31 : Detail of entities considered in consolidated financial statements**

- a) The entities considered in the Consolidation of Financial Statements are as under:

Name of the Enterprise	Country of Incorporation	% of voting power held as at March 31,2015
Bharart Seats Limited (Associate Company)	India	28.66
Relan Industrial Finance Limited (Associate Company)	India	47.12
Toyo Sharda India Private Limited (jointly controlled entity)	India	50.00
Toyota Boshoku Relan India Private Limited (jointly controlled entity)	India	50.00

**NOTE 32: Goodwill/(Capital Reserve) Arising on Consolidation of interest in Jointly controlled entities**

Name of the Enterprises	Holding Ratio	As at	Goodwill/(Capital Reserve)
Toyo Sharda India Private Limited	50.00%	3/31/2016	Nil
Toyota Boshoku Relan India Private Limited	50.00%	3/31/2016	Nil

**NOTE 33: Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint ventures.**

Name of Enterprises	Net Assets i.e. total assets minus total liability		Share in profit or loss	
	As % of consolidated net assets	Amount (₹) in lacs	As % of consolidated profit or loss	Amount (₹) in lacs
<b>Parent</b>				
Sharda Motor Industries Limited	93.47%	23,066	94.61%	3,340
<b>Associates</b>				
Bharart Seats Limited	6.06%	1,496	5.19%	183
Relan Industrial Finance Limited	0.66%	163	0.25%	9
<b>Joint Ventures</b>				
Toyo Sharda India Private Limited	-0.05%	(12)	-0.35%	(12)
Toyota Boshoku Relan India Private Limited	-0.14%	(35)	0.31%	11

**NOTE 34: Alignment of Accounting Policy for consolidation**

In case of Toyo Sharda India Private Limited, the jointly controlled entity and Bharat Seats Limited, the Associate Company, depreciation on Fixed Assets has been provided on the Straight Line Method as per the rates of prescribed in Schedule II of the Companies Act, 2013 which is inconsistent with the Written Down Value Method of depreciation used in case of Parent. However it is impractical to harmonise, therefore adjustment for the same has not been made in the consolidated financial statements.

**NOTE 35: CSR Expenditure**

- (a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years) : ₹ 62.22 Lacs.
- (b) Amount spent during the year:

S. No.	Purpose for which expenditure incurred	Amount (₹) In Cash/Cheque	Remarks	Total	Outstanding Amount to be Spent for FY 2015-16
(i)	Construction/acquisition of any asset	-	-	-	-
(ii)	On purposes other than (i) above	5.00	Payment to Rotary Club	10.00	52.22
		5.00	Payment to Sharda CSR Foundation Trust		

**NOTE 36**

Since the Consolidated Financial Statements of Sharda Motor Industries Limited with its Associate Companies i.e Bharat Seats Ltd and Relan Industrial Finance Ltd and Jointly controlled entities i.e. Toyo Sharda India Private Limited and Toyota Boshoku Relan India Private Limited is presented for the first time as per the proviso to Rule 6 of the Companies (Account) Rules 2014 inserted by the Companies (Accounts) Amendment Rules, 2014 vide Notification No G.S.R. 723 (E) dated 14-10-2014; the previous year figures have not been given.

**NOTE 37**

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 38**

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

**NOTE 39**

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

**Pradeep Dinodia**  
Partner  
M.NO. 080617

**Kishan N Parikh**  
Chairman  
DIN 00453209

**Sharda Relan**  
Director  
DIN 00252181

Place : New Delhi  
Dated : 27th May, 2016

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

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

**Ajay Relan**  
Managing Director  
DIN 00257584



# Sharda Motor Industries Limited

(CIN: L74899DL1986PLC023202)

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

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

Email: investorrelations@shardamotor.com Website: www.shardamotor.com

## 31ST ANNUAL GENERAL MEETING

### ATTENDANCE SLIP

S.No. :

Folio No./DP ID/Client ID :

Name :

Address :

Shareholder Joint1 :

Shareholder Joint2 :

No. of Shares Held :

PAN No./Sequence No. :

I / We hereby record my/our presence at the 31st Annual General Meeting of the Company at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi- 110016, India on Wednesday, the 07th day of September, 2016 at 11:30 a.m. (IST).

Member's Folio / DP ID-Client ID no.

Member's / Proxy's name in Block letters

Member's/Proxy's signature

#### Note:

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL.
2. Electronic copy of the Annual Report for FY 2015-16 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address are registered with the Depository Participants unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2015-16 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

### E-VOTING PARTICULARS

EVS (E-Voting Sequence Number)	User ID (16 digits demat Account/ Folio No.)	Password / PIN

**Note:** NOTE: Please read instructions given under Note to the Notice of 31st Annual General Meeting carefully before voting electronically.



# Sharda Motor Industries Limited

(CIN: L74899DL1986PLC023202)

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

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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)

Name :

Address :

Folio No./DP ID/Client ID :

E-mail id :

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 31st Annual General Meeting of the Company to be held on Wednesday, 07th September, 2016 at 11:30 a.m. at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi- 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
1.	To receive, consider and adopt the audited financial statements for the year ended on 31st March, 2016 along with the reports of the Board of Directors and Auditors thereon.
2	To declare a final dividend for the financial year 2015-16
3	To appoint a director in place of Shri Bireswar Mitra (DIN 06958002) who retires by rotation and being eligible offers himself for re-appointment.
4	To appoint a director in place of Shri Rohit Relan (DIN 00257572) who retires by rotation and being eligible offers himself for re-appointment.
5	To appoint Statutory Auditors and fix their remuneration
6	To appoint Satinder Kumar Lambah as an Independent Director
7	To re-appoint Shri Ajay Relan as Managing Director of the Company
8	To appoint Smt. Sharda Relan as a Whole Time Director
9	To ratify / approve continuation of employment of Shri Bireswar Mitra as a Whole Time Director
10	To ratify the remuneration to be paid to M/s Gurdeep Singh & Associates, Cost Auditors of the Company

Signed this .....day of .....2016

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 31st 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







**SHARDA MOTOR INDUSTRIES LIMITED**

CIN: L74899DL1986PLC023202

**Registered Office:**

D-188, Okhla Industrial Area, Phase-I, New Delhi-110020

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